SHORT DURATION DISCUSSION

The precarious condition of State Finances and its long-term implications on developmental activities in States

DR. MANMOHAN SINGH (Assam): Mr. Chairman, Sir, I beg to raise a discussion on the precarious condition of State Finances and its long-term implications on developmental activities in the States.

श्री मूल चन्द मीणा : सर, फाइनेंस मिनिस्टर को बुलवा लीजिए। ...**(व्यवधान)**...

श्री सभापति : बुलवाइए। इसलिए मैंने कहा है, सबको इसीलिए कहा है। बुलवा ले।

DR. MANMOHAN SINGH: Sir, the first point that I wish to make in this connection is that the fiscal situation in our country, taking both the Centre and the States together, is indeed precarious. When our Government was in office, we had made significant efforts to reduce the fiscal deficit, and in those five years, we brought down the fiscal deficit by about three percentage of our GDP. There was a reduction in the debt-GDP ratio by about five percentage points. But, Sir, I note with regret that, after 1996-97, there has been a reversal of the trend; the fiscal situation has deteriorated; the Central Government has not taken credible fiscal adjustment measures, and what is more worrisome is that in the second half of the 1990's, the State Finances have also deteriorated sharply. In fact, if we take both the Centre and the States combined, the fiscal situation today is worse than what it was in the late '80s. I have some figures here. For example, if we take an average of the 1985-86 to 1988-89 figures, the Gross Fiscal Deficit of the Centre and the States, that is, the general Government in our country, was nine per cent of GDP. It declined in the Eighth Five Year Plan. We brought it down to 7.2 per cent. But in the Ninth Five Year Plan, this process has been reversed. So, the Gross Fiscal Deficit rose to 9.3 per cent, and in the year 2002-03, the Gross Fiscal Deficit of the general Government, that is, the Centre and the States, has risen to as high as 10.4 per cent. The revenue deficit of the combined general Government was 2.6 per cent in the period, 1985-86 to 1988-89. In the last year, for which I have data, the combined revenue deficit is as high as 6.9 per cent of the GDP. The interest payments in the late '80s took 3.8 percentage of the GDP. In the figures that I have for the last year, 2002-03, this figure had risen to 6.5 per cent. Sir, therefore, the overall fiscal situation in our country is a matter

of great concern. The finances of the Central Government have been discussed on several occasions; and, therefore, I will not go into the discussion of Central finances, but I do wish to point out that the country, as a whole, and the Government, as a whole, both, the Centre and the States together, today, face an unsustainable debt situation. Taken the Centre and the States together, at the end of March 1986, the debt of the general Government in our country was 58 per cent of the GDP. At the end of March, 2003, it has risen to a horrendous figure of 85 per cent; and, if we add to this the debt of public enterprises, it will be 95 per cent of the GDP. If contingent liabilities from the loss-making public enterprises are also added, you will have to add another 12 per cent of the GDP, making a highly disturbing figure of 107 per cent. The consequences of this fiscal situation are, now, well known. And, it is, certainly, true that through the fiscal situation in the late '80s led to an economic crisis of 1991-92; we are not facing that sort of situation today. There are special circumstances. There have been improvements in our balance of payments; the reserve position is better; the short-term debt is very low; also, we do not have a capital account convertibility. What is more is, after 1996-97, there has been a sharp deceleration in the tempo of private investment. Therefore, the boom of the early '90s has disappeared, giving rise to roughly recessionary tendencies in the investment with regard to the private sector, and that has given us an elbow room. But we cannot be sure that this elbow room will persist. The improvement in our reserves, in recent years, has something to do with the events that took place on 11th September, 2001, and one cannot be, therefore, sure that these improvements will persist or have come to stay. Therefore, the country, as a whole, has to worry about the fiscal situation. And while there may be differences of opinion, whether the fiscal position can be sustained or not, whether there is a room for additional fiscal deficit, perception, all over the world, is that India has an unsustainable fiscal situation, that by contemporary international standards, that judging by the situation that prevails in other developing countries, we are, today, facing a dangerous fiscal situation. Even by the standards set by our own Eleventh Finance Commission, which had said that the fiscal deficit of the Centre should not exceed 4.5 per cent of the GDP and that of States should not exceed 2.5 per cent of GDP, I think, we are way above that figure which was recommended by the Eleventh Finance Commission. Therefore, the country needs to reflect as to what we can collectively do to set the fiscal house in order. As I said, the finances of the Central Government have been discussed on several occasions, and I do not wish

to deal with the finances of the Central Government. In our country, the public expenditure is, roughly, 30 per cent of our GDP. It is almost equally divided between the Centre and the States; 15 per cent of the GDP is the public expenditure in the States, 15 per cent of the GDP is the public expenditure in the Centre. We all know that India lives in States; India is a union of States. Under our Constitution, important functions have been assigned to the State Governments; functions which have a vital bearing on the orderly functioning of our polity, law and order, for example; functions which have a vital bearing on the welfare and well being of millions and millions of our people. We all talk in terms of improving human capabilities. Human development is the new *mantra* in the development game. And, yet, if you do not have effective arrangements to expand and improve the quality of our education, the quality of our health care, then, we have to say good-bye to our ambitions to move up the human development index. And, these are activities which are primarily in the State sector. Agriculture, primarily, is an activity which is in the State sector. And, whether we talk in terms of agricultural investments in irrigation, soil conservation, or, we talk in terms of agricultural investments in research and extension, these are all responsibilities of the State Governments. The way the State finances are moving, today the States lack that capacity, they lack that manoeuvrability to perform their developmental functions as well as non-development function as effectively as this nation expects the States to perform. And, if the fiscal situation of the States is not improved, I am afraid, the ambitious objectives of the Eighth Five Year Plan of having an eight per cent rate of growth, the ambitious development objectives of *Sarva Siksha Abhiyan* of having eight years of quality education for all our children by the year 2010, the ambitious objective of spending minimum two per cent of the GDP on public health in our country, I think, all these will remain pious dreams. The sad reality is that the way the States are placed, their fiscal deficits, their revenue deficits, their primary deficits, their debt-GDP ratios are reaching levels which do not give them adequate manoeuvrability to spend more, to devote more on financing of key development activities, whether these are activities in the field of social development, activities in the area of health and education, or, activities in the field of infrastructure investment, in power development, in agricultural extension improvement, in irrigation. All these activities are today suffering for want of adequate fiscal manoeuvrability. Sir, the question arises, why has this situation come about? Now, if you look at the fiscal situation, one worrisome feature of the aggregate fiscal situation is that the reforms were meant to widen the fiscal manoeuvrability of the

Centre and the State Governments. We have undertaken tax reforms, but as far as the Central Government is concerned, whatever its other effects, tax rates have been lowered, but tax-base has not been sufficiently widened, the result is that as far as the Central taxes are concerned, the tax-GDP ratio is 2.5 per cent lower today than it was some twelve years ago. This is quite contrary to the experience of most other countries, and if there has to be any fiscal correction to the viable extent, the Centre Government has to give a lead. What is the situation with regard to the State Governments? In the State Governments, fortunately, the situation, as it has developed in the last decade, is not as bad as has been the case with the Central Government. When I look at the States' own taxes consisting mostly of sales tax and other taxes which are in their exclusive jurisdiction, there has been a decline in their buoyancy in the '90s, compared with the buoyancy in the '80s. However, on average, the tax GDP ratio has not declined significantly. Therefore, despite all the imperfections of the State tax system, the present fiscal crisis facing the State Government cannot be attributed mostly to the fall in the tax ratio, as is the case with the deterioration in the Central fiscal situation.

This is not to say that the tax systems in the States are ideal. Tax systems in the States have suffered in terms of their buoyancy because of reckless competition amongst States to attract industry and commerce. Fortunately, since all the States have now agreed to have uniform floor rates of sales taxation, that chapter is hopefully coming to an end. But we need to move towards a value-added State-level tax system and we have to strengthen our administration to see that the new taxation system, when it is launched, will be free of the loopholes which can affect its buoyancy and elasticity. This is a task which must be completed.

The introduction of the value-added tax system about which a lot of work has been done, should be expedited. Consensus should be built up, and every effort should be made to see that the system which is put in place is administratively sound, it is free of loopholes, so that the tax GDP buoyancy can be improved.

But the point that I am making is, if you are looking at the deterioration in the States' fiscal system, only a small part of blame can be raised on their behaviour with regard to their own taxes. By and large, as I said, the tax GDP ratio of own taxes of the States has not declined in the 1990s, as compared with the 1980s. And yet, if the fiscal situation of the

States is deteriorating, particularly in the second half of the 1990s, then, why is it that it has happened? One reason is the sharp increase in salaries, wages and pension liabilities. As a result of the Fifth Pay Commission's actions, States were forced - I am saying 'forced' because under our system, I think there are pressures which cannot be resisted - to concede similar pay increases, and this has put an extraordinary burden on a large number of States in the second half of the 1990s.

Now, if this experiment is not to be repeated, I urge the hon. Finance Minister that the time has come to review the system, the way, wages and salaries are fixed in the Central Government and in the public sector as a whole. Everybody now knows the disturbances in our fiscal situation arising out of the sharp increase that had to be conceded in pay and allowances and pensions, as a result of the work of the Fifth Pay Commission. We must find other mechanisms. These mechanisms must be more consultative in which both the Central interests and the States' repaying capacity and the States compulsions are taken into account, before we devise a package for pay increases. Maybe, a time has come when instead of looking at pay increases after every ten years, seven or eight years, more orderly, gradual systems of pay revision ought to be considered. That is one problem that I would like to flag for the consideration of the hon. Finance Minister.

Sir, the other reason why the State finances are in a bad shape is, partly as a result of the deterioration in the finances of the Central Government itself. The Central Government's manoeuvrability in coming to the aid of the States has diminished very substantially because of its own fiscal deficit. What is more is the decline in the tax GDP ratio of Central taxes has hurt the States enormously. Both the devolution proceeds as well as other transfers from the Centre to the States in the 1990s, particularly, in the second half of the 1990s, have shown a sharp deterioration. For example, look at the behaviour of the Central taxes in the Budget for 2002-03. If I look at the provisional account figures, which are now available, with the Budget figures that were submitted to this august House in February 2002, there has been a shortfall in actuals to the extent of Rs.15,000 crores and this amount of Rs.15,000 crores has affected the Central finances. It also affects the State finances. The States had made their Budgets on certain assumptions regarding devolution from the Central Budget, but those assumptions have not materialised. Therefore, many States have been put into serious difficulties. Also, in other transfers and grant-in-aids from the

Central Government in net terms, there has been a sharp deterioration, and this fact has to be recognised, by looking at the State finances. I will be the last man to say that there have been no problems in the State sector. There have been problems. The State should be doing more. They can do more. For example, in terms of users charges, there is certainly scope for the States to do better than what they have been doing. The Report on Currency and Finance of the Reserve Bank of India, last year, pointed out that the cost recovery for a number of social services is exceedingly low. In the case of education, it is about 1.2 per cent; in the case of health, it is 4.7 per cent; in the case of irrigation, it is only 8.5 per cent. Now, with such dismal performance, the State finances cannot improve, and there has been no fundamental firm improvement in '90s. Therefore, that is one thing which the State Governments should entertain. One more reason for the State finances being in this particular dismal form is the management of the State public enterprises. The bulk of the investments of the State Governments are in the electricity sector, and there the Electricity Act of 1948, which until the passage of the new Act, was the guiding factor requires the States to so run the affairs of the Electricity Board that they earn a minimum rate of return, on the net fixed assets, of 3 per cent. In fact, in the last five years, the situation has greatly deteriorated, and the latest figures, that I have, of the losses of the State Electricity Boards are as high as 1.4 per cent of our GDP. Now, no system can survive if you have a system where the more you produce electricity, the more you lose. Sir, therefore, the States have an obligation for reforming their tariff system, reforming their power system, and as a result of the passage of the new Electricity Act, I hope, the reform process in the State sector, in the power sector, certainly, will get some added incentive. The same way, if I look at the performance of other public sector enterprises, particularly the State Road Transport Corporations, these are drags on the State finances, and the States have to do, I think, more to reform their public sector management. But having said that, I do wish to point out that the basic reason for the deterioration of the State finances, in the second half of the '90s, has got to do with pay revision and reduced transfer from the Centre to the State Governments. And if this be the diagnosis, and I have the authority of the Reserve Bank of India to convince me that this is a fair presentation of what has happened to the State finances in the last five years, then, the Central Government has an obligation to take a more sympathetic view of the problems of the State Governments. I do believe, Sir, that the time has come when a holistic view should be taken of the

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debt sustainability, debt-sustaining capacity of all State Governments. The debts, that have been piled up in several States and when I see a progressive State like Maharashtra not been able to honour its debt, it is a sad commentary on the management of the Indian financial system. We must ensure that before more and more State Governments are in that sad position, something is done to put the fiscal system in order. Therefore, I request the hon. Finance Minister to take a holistic view of the fiscal situation of the States, take a considered view of the debt sustainability levels of each and every State Government and then put in place a system which will move us in the direction of a more sustainable debt in the years to come.

Sir, I would like to say that States in the North-Eastern Region of our country and other special category States are worthy of special consideration. These are States which face special difficulties. The Finance Minister is aware of their difficulties. They come to the Central Government; ad hoc measures are adopted, but that does not solve their problem. These are States where the private sector cannot replace the public sector. We talk in terms of downsizing of the Government. The Government should be downsized, but if you are downsizing the Government, you must create employment opportunities in the private sector. If you are not able to create opportunities for employment in the private sector, you are only creating frustration, you are only adding to the pool of the unemployed. And, whatever possibilities of private sector employment may exist in Karnataka, in Maharashtra, in the National Capital Region, these employment opportunities in the private sector do not exist in the North-Eastern States of our country. Therefore, these States face special difficulties. Therefore, when we look at their financial needs, I think, you should pay special attention to their disabilities. Also I would say it is time that we look at some of the other arrangements that have been in existence for a long time.

Fiscal management should be as transparent as possible. We have today a situation in our country where even in simple numbers, I think, there are divergence of opinions. When I read some international reports, when I read the reports of the World Bank, the figures of the debt-GDP ratios that I get from those documents and the documents of the investment bankers, are not the same as the figures that I get from the Government of India documents. I think, this is the age of transparency. I would urge the hon. Finance Minister that like the practice I started of putting out annually a

White Paper on the external debt position of the country, in the same way, a White Paper should be put out about the total debt position of the Centre and the States, so that there is proper understanding within the country and internationally of what are the true facts of the situation. Also, I believe, Sir, the time has come to look at the arrangements in which Plan finance takes place. When the Gadgil formula was adopted, at that time, the calculation was that 70 per cent of the Plan expenditure of the States will be in the form of capital expenditure and 30 per cent will be in the form of revenue expenditure and, therefore, the Central assistance ratio was 70 loans, 30 grants, as far as the non-special category States were concerned. But, over a period of time, a sea change has taken place. Today, the revenue component of the State Plans is far in excess of 30 per cent, and, if we maintain the old formula, then, I am afraid, we are only adding to the fiscal difficulties of the States we are adding to the problem of piling up of unsustainable debt.

Sir, I also believe that the time has come when we should re-look at this old fashion division between the Plan expenditure and the non-Plan expenditure. This distinction this, beyond a point, detracts our attention from what needs to be done to put the fiscal system, as a whole, in order. In the same way, I believe, although we have attempted several times, there has been general feeling that we must reduce the number of Centrally sponsored and Central schemes so that the States can get more resources to spend in accordance with their needs and priorities. In fact, every time, we make that resolve, the system moves in a different direction. I believe, therefore, if we have to get the States fiscal system in shape, apart from a holistic picture being taken of their debt sustainability, it is necessary to pay attention to budget management of the type of issues that I have raised.

Sir, once the Central Government has taken a holistic view of the debt position of the States, I do believe, they should insist on a hard budget constraint. Unfortunately, the hard budget constraint is missing. Left to themselves States, unlike the Central Government, cannot create money. States are indebted to the Central Government, and, so long as they are indebted to the Central Government, they cannot borrow without the explicit permission of the Central Government. But, over the years, the way our Plan finance arithmetic has worked out, I think, in the name of mobilising the resources, States have been encouraged to go to the high cost route of financing their expenditure. For example, let us take small savings. Small

savings, if they are used to finance investment in productive public investment, one does not have to worry. But, if small savings become an instrument for financing revenue expenditure, then, you are borrowing at high cost for which you have nothing to show by way of capital assets, and, you are heading towards the unsustainable position. So, I submit to the hon. Finance Minister that after you have taken an integrated view of the debts position of the States, then, you must put a cap on the total debt that the States can raise, and, this must include not only the market borrowing and the on-budget items, but also the off-budget items. Off-budget items, of late, have been an important source of raising resources, which have been used to finance not the activities which they are supposed to finance.

For example, the special purpose vehicles are created. When these special purpose vehicles go to the markets, the banking system, because it has been short of other productive borrowers has been extra lenient in obliging some of these enterprises. These happen to be the enterprises that have, in some States, at least, lent their resources for financing the general-purpose current consumption expenditure of the State Governments. So, the guarantees have piled up. Guarantees, in our system, today, both pertaining to the Central Government and the State Governments -- which are the contingent liabilities -- are as high as 12 per cent of GDP. In the State sector, this has gone up from 4.7 per cent of GDP in 1993 to roughly 7.5 per cent by the year 2002.

Now, there is a need to control the amount of debts that the States can pile up, particularly, the amount of contingent liabilities that they can pile up. Before you take these measures, you must come to the help of the States. Those States, which, for reasons beyond their control, have got into unsustainable debt situation, must be helped. If you don't help them, the development process will be the casualty; the Eighth Plan targets of eight per cent growth rate, the Eighth Plan targets of irrigation, the Eighth Plan targets of health and education, they will be casualty. So, I conclude by appealing to the hon. Finance Minister that if the Finance Commission does not have before it a term of reference to take an integrated view of the debt position of the States, then, he should take the initiative to give the supplementary term of reference to the Finance Commission so that the State finances can be put on a sound footing. And, once you have under taken that, you must also insist on tighter discipline in the State sector.

You must have a total cap on borrowing, whether on-Budget or off-Budget. You must insist that States do not default on paying their dues of State Electricity Boards to various Central agencies. You must also not convert ways and means advances from the Reserve Bank of India into medium term loans. You should do all this, but a pre-requisite is a sympathetic view should be taken of the States' debt position. In many States today, it is at an unsustainable level. The states requires help from the Central Government and I do believe the time to do so is now. The overall macro situation is such that if the Central Government, in the process of helping States, adds on to its fiscal deficit at the margin, the system can absorb this. The fact that we have a good foreign exchange reserves position, the fact that the interest rates are low, the fact that food stocks are comfortable, I think, gives the Finance Minister manoeuvrability to come to the rescue of the States without creating undue risks for macro management. I think, some measures have been taken by the Finance Ministry, by the Government. The incentive-based reform-linked assistance measures have been put in place. Fiscal reforms facility has been created as a result of the recommendations of the Eleventh Finance Commission. Similarly, accelerated power programme exist tied to reform, accelerated irrigation programmes exist, tied to reforms in irrigation. There is the urban reforms programme. There is the infrastructure development fund for rural areas. I do believe, we should expand these incentive links, assistance measures. So, there should be both a carrot and stick policy. But, before you start on that route, please take an integrated look at the debt position of the States Governments. And, as I said, the needs of the special category States, the needs of the North-Eastern States of our Union which face tremendous difficulty - social, economic and political - must be the special concern of the Finance Minister. Thank you, Sir.

MR. CHAIRMAN: Thank you, Dr. *saheb*. The discussion will continue after lunch. Now, the House is adjourned for lunch for one hour.

The House then adjourned for lunch at nine minutes past one of the clock.

The House reassembled after lunch at eleven minutes past two of the clock, THE DEPUTY CHAIRMAN in the Chair.

THE DEPUTY CHAIRMAN: There is a feeble Namashkar. There are not many Members. This is such an important discussion. There

should be more Members to listen to it. We all come from the States. Shri Lalitbhai Mehta.

श्री ललितभाई मेहता (गुजरात) : उपसभापति महोदया, राज्यों की नाजुक आर्थिक हालत के कारण विकास के कार्यो पर जो नेगेटिव असर हो रहा है, उसको ध्यान में रखते हुए आज इस सदन में हम चर्चा कर रहे हैं। हमारे देश के समवायी शासन में राज्यों का जितना महत्व है, वह राज्यो द्वारा की जाने वाली जो आर्थिक गतिविधियां हैं, उनको अगर ध्यान मे हम रखें तो केन्द्र सरकार का 2002-2003 का जो बजट था, वह 4 लाख 10 हजार 309 करोड़ का था और राज्यो का जो बजट पूरे देश मे था वह 4 लाख 30 हजार 944 करोड़ का था। राज्यो द्वारा वर्ष 2002-2003 मे आर्थिक क्षेत्र में जो खर्च किए गए, उसको अगर हम देखें तो विकास के क्षेत्र मे राज्यो ने 1 लाख 90 हजार 379 करोड़ रुपए खर्च किए जब कि केन्द्र मे 92 हजार 430 करोड़ रुपये ही खर्च हुए। सामाजिक सेवाओ की दृष्टि से देखें तो राज्यो ने 1 लाख 3 हजार 923 करोड़ रुपए खर्च किए, वहीं केन्द्र ने केवल 25 हजार 858 करोड़ खर्च किये। आर्थिक सेवाओ की दृष्टि से देखे तो राज्यो ने पॉवर, इरीगेशन,फ्लड कंट्रोल जैसी बातों पर 33 हजार 773 करोड़ रुपए खर्च किए, वहीं केन्द्र ने 4 हजार 349 करोड़ रुपए खर्च किए। कृषि के क्षेत्र में देखे तो राज्यों ने 28 हजार 504 करोड़ रुपए खर्च किए, वहीं केन्द्र द्वारा 13 हजार 712 करोड़ रुपए खर्च हुए। महोदया, इससे पता चलता है कि हमारी समवायी शासन व्यवस्था मे राज्यो का कितना महत्व है क्योंकि पूरे देश का जो आर्थिक क्षेत्र है, उस पर राज्यों की इन गतिविधियों का बड़े पैमाने पर असर होता है। फिर भी आज राज्यों की आर्थिक हालत चिंताजनक बतायी जाती है। राज्यो मे वित्तीय अनुशासन न होने के कारण कई राज्यों मे गंभीर समस्याएं पैदा हुई हैं। उड़ीसा, पश्चिमी बंगाल और हिमाचल प्रदेश जैसे राज्यों में जितना एक साल का राजस्व है, उससे ज्यादा खर्च तो वहां पगार, पेशन आदि पर चला जाता है यानी 100 प्रतिशत से ज्यादा खर्च। इसके अतिरिक्त ब्याज के खर्च को अगर साथ में जोड़ दें तो परिस्थिति और बिगड़ती है। राज्यों द्वारा अन्य योजनाओं के लिए जो खर्च किया जाता है, उसके अतिरिक्त जो बिना योजना के खर्च हैं, वे भी हमारे लिए चिंता की बात बने हुए हैं। राज्यो में संसाधन जुटाने के अभाव के कारण, राज्यो के द्वारा दी जाने वाली प्रत्यक्ष और परोक्ष सब्सिडियों के कारण, राज्यो की देनदारियां बढ़ती गई हैं, ऋण बढ़ता गया है। इसके कारण एक विषचक्र चला है, ज्यादा देनदारियां होती हैं, ज्यादा ऋण होता है, ज्यादा ब्याज हो जाता है तथा इससे राज्यों की परिस्थिति और बिगड़ती चली जा रही है। महोदया, जो एक अभ्यास हुआ और उसमें ये बातें सामने आई हैं कि देश में कुल मिलाकर जो 29 राज्य हैं उनमें से 18 राज्य नॉन स्पेशल कैटेगरी में हैं और ग्यारह राज्य स्पेशल कैटेगरी के हैं जिनको हमने विशेष दर्जा दिया है। आज जो बात हमारे सामने है, गुजरात, गोवा और झारखंड, ये तीन ऐसे राज्य हैं जिनका राजस्व मे अपना संसाधन है, अपना हिस्सा सबसे ज्यादा है। गोवा 21.8 प्रतिशत, गुजरात 13.2 प्रतिशत और झारखंड 13.1 प्रतिशत, अपने आप में संसाधन जुटा रहा है। आज पूरे देश में कर द्वारा जो आय होती है और बिना कर के जो आय होती है उसको अगर ध्यान में रखें तो कुल मिलकर वह जीडीपी की 6.2 प्रतिशत ही है। लेकिन जैसा मैंने बताया कि ये राज्य ऐसे हैं कि यहां पर कर की वसूली करीबन 11 प्रतिशत के आसपास है। आज राज्यो के बजट मे संसाधन जुटाने की बात आती है तो करीबन देश की औसत 46 प्रतिशत आती है। लेकिन सात-आठ ऐसे राज्य हैं जो पचास प्रतिशत से ज्यादा संसाधन अपने-अपने बजट में जुटाते हैं और बाकी ऐसे राज्य हैं जो

चालीस से पचास प्रतिशत संसाधन जुटाते हैं। आज केन्द्र सरकार द्वारा कर मे से जो हिस्सा राज्य सरकारों को दिया जा रहा है, योजनाओ के लिए खर्च करने के लिए जो हिस्सा दिया जा रहा है उसके लिए हमारे यहां दो प्रावधान है- एक तो हमारा फाइनेन्स कमीशन है और दूसरा हमारा प्लानिंग कमीशन है। फाइनेस कमीशन के तहत जो हमारा ग्यारहवां वित्तीय आयोग है उसके द्वारा जो राशि दी जाती है, उसके मापदंड तय किए हुए हैं। मुझे लगता है कि जिस राज्य की गवर्नेन्स अच्छी है, जिस राज्य की फिस्कल मेनेजमेंट अच्छी है, जिस राज्य की संसाधन जुटाने की ताकत ज्यादा है उसके साथ कुछ अन्याय हो रहा है, यह बात सोचनी चाहिए। मैं गुजरात का उदाहरण देकर कहना चाहूंगा कि पिछले साल कुल 56,141 करोड़ की राशि राज्यो को दी गई उसमे से गुजरात को सिर्फ 1,503 करोड रुपए दिए गए। उत्तर प्रदेश को 10,164 करोड दिए गए, बिहार को 6,418 करोड दिए गए, बंगाल को 4,495 करोड दिए गए, आन्ध्र प्रदेश को 4,113 करोड दिए गए और उड़ीसा को 3,123 करोड दिए गए। मुझे इस पर आपत्ति नही है। लेकिन जैसा मैंने कहा कि जिन राज्यो का वित्तीय संचालन अच्छा है, उनके साथ अन्याय हो अगर ऐसा मापदंड है तो फाइनेस कमीशन को यह बदलना चाहिए। इसके ऊपर हमे ध्यान देना चाहिए। केन्द्र द्वारा जो सहायता दी जाती है, ग्रांट दी जाती है उसके देने मे ऐसी व्यवस्था है कि जो ग्रांट की राशि तय की गई, वह हर महीने दी जाती है। पहले ग्यारह महीने तक एक-एक हफ्ते, हर महीने दी जाती है और मार्च के महीने मे तीन हफ्ते की राशि एक साथ दी जाती है। महोदया, पिछले वर्ष यह परिस्थिति हुई कि केन्द्र ने तय किया था कि वह 48,786 करोड रुपए अपनी राशि से, अपने कोष से राज्यो को देगा लेकिन केन्द्र की कर की आय और बिना कर की आय मे जो घाटा आया उसके कारण वह 44,985 करोड रुपया ही दे पाया। उसका प्रभाव यह हुआ कि राज्यो के बजट, जो केंद्र की सहायता के अनुसार बनाए जाते हैं, मार्च के महीने मे यह पता चलता है कि केंद्र से कुछ कम राशि मिलने वाली है। मुझे लगता है कि ये जो परिस्थितियां हैं उसमे इसका ध्यान रखना होगा कि राज्यो को तय की हुई राशि कैसे दी जाए। योजना आयोग ने इस दसवी पंचवर्षीय योजना मे कुल 5,60,615.78 करोड़ का प्लान बनाया है। महोदया, मैं कुछ राज्यो का उल्लेख करके यह बताना चाहूंगा कि योजना आयोग द्वारा दी जाने वाली राशि मे भी ऐसे राज्यो के साथ अन्याय होने की परिस्थिति का निर्माण होता जा रहा है। गुजरात का दसवी योजना का जो प्लान बना है, यह 40,007 करोड़ रुपए का खर्च पांच साल में होगा। इसमे गुजरात अपने संसाधनो से 67 परसेंट साधन अपने आप जुटाएगा। गुजरात को 33 प्रतिशत सैंट्रल असिस्टेस मिलेगी। मैं देखता हूं कि आंध्र प्रदेश 52 प्रतिशत, मध्य प्रदेश 61 प्रतिशत अपने संसाधन दे रहे हैं। आंध्र प्रदेश, जो 52 प्रतिशत अपने संसाधन दे रहा है, उसे 48 प्रतिशत सैंट्रल असिस्टेस मिलेगी। मध्य प्रदेश 61 प्रतिशत संसाधन जुटा रहा है उसको 39 प्रतिशत केंद्र की सहायता मिलेगी। तमिलनाडु 62 प्रतिशत अपने संसाधन जुटा रहा है उसे 38 प्रतिशत राशि केंद्र से मिलेगी। राजस्थान 65 प्रतिशत जुटा रहा है उसे 35 प्रतिशत राशि मिलेगी। महोदया, नवी पंचवर्षीय योजना के दौरान गुजरात को 11,325.20 करोड़ दिया गया था, मुझे लगता है कि इस बार यह राशि बढ़ा दी गई है। 13,156.34 करोड़ दिया गया है। केंद्र की सहायता की राशि, जो पिछली नौवी पंचवर्षीय योजना मे 1,85,259.63 करोड़ थी, अगर उसे ध्यान मे रखे तो गुजरात को जो राशि मिलने वाली थी वह 6.2 प्रतिशत थी लेकिन दसवीं पंचवर्षीय योजना के दौरान वह घटाकर 5.1 प्रतिशत कर दी गई। क्या कारण हैं कि केंद्र की सहायता गुजरात के खर्च के लिए कम कर दी गई? गुजरात ऐसा राज्य है जिसने देश मे सबसे ज्यादा प्रथम क्रमांक पर विकास का खर्च 71 प्रतिशत किया है। सर्वे मे ये आंकड़े हमारे सामने

आए हैं। 38 प्रतिशत सामाजिक सेवाओं पर और 33 प्रतिशत आर्थिक सेवाओ पर खर्च है। गुजरात के साथ-साथ गोवा, झारखण्ड, पंजाब, दिल्ली ऐसे राज्य हैं जिन्होंने विकास पर खर्च किया है, फिर भी विकास के लिए जो राशि दी जाती है, जो डेवलेपमेंट असिस्टेंस दी जाती है, वह कम न हो, इसका ध्यान रखना चाहिए।

हम प्लान आउट ले की दृष्टि से देखें, पब्लिक और प्राइवेट इन्वेस्टमेंट की दृष्टि से देखे तो गुजरात प्रति व्यक्ति 33,875 रुपए का इन्वेस्टमेंट कर रहा है। आज 2002-2003 मे सबसे ज्यादा 1,71,399 करोड़ रुपए का इंडस्ट्रियल इन्वेस्टमेंट गुजरात में हुआ है। दूसरे नम्बर पर महाराष्ट्र है जहां 1,69,855 करोड का हुआ है। एक्स्टरनल ऐडड प्रोजेक्ट्स में भी आंध्र प्रदेश, गुजरात और कर्नाटक का नम्बर है। पर कैपिटा इनकम में महाराष्ट्र, पंजाब, हरियाणा, तमिलनाडु और गुजरात हैं। जो पर कैपिटा स्पेंडिंग हैं उसमे गोवा, पंजाब, दिल्ली, गुजरात है। पर कैपिटा स्पेंडिंग को देखेंगे तो 3,910 रुपए पर कैपिटा स्पेंडिंग राज्यों का आता है लेकिन गोवा 19,045 रुपए की पर कैपिटा स्पेडिंग कर रहा है, पंजाब 6,908 का पर कैपिटा स्पेंडिंग करता है, दिल्ली 6,798 का करता है और गुजरात 5,966 रुपए का पर कैपिटा स्पेडिंग करता है। यानी नेशनल एवरेज से कही ज्यादा। तो कई स्टेट्स ऐसी हैं जो कि विकास के लिए स्पेड ही नही कर पातीं। ...**(व्यवधान)**...

उपसभापति : ललितभाई मेहता जी, आपकी पार्टी के तीन नाम हैं। अगर आप सारा टाइम ले लेंगे तो फिर मैं दूसरो को नहीं बुलाऊंगी।

श्री ललितभाई मेहता : मैडम, मुझे तीन-चार प्वायंट्स और बोलने हैं।

उपसभापति : नही, आपको बहुत से प्वायंट्स बोलने हैं, यह मुझे मालूम है, मगर सवाल यह है कि मुझे तो अपना हिसाब रखना है।

श्री ललितभाई मेहता : प्रतिपक्ष के नेता 45 मिनट बोले थे।

उपसभापति : उनकी पार्टी के 56 मिनट हैं। ...**(व्यवधान)**... उनकी पार्टी के 56 मिनट हैं।

श्री ललितभाई मेहता : मुझे कम से कम 15 मिनट ...**(व्यवधान)**...

उपसभापति : अच्छा, आप न कहिए ...**(व्यवधान)**... लैट मी हैंडल, बिकाज़ यह कोई लड़ाई झगड़े की बात नही है, यह हाउस चलाने की बात है। ...**(व्यवधान)**... एक मिनट। इसमे झगड़ा मत करिए, प्लीज, क्योकि इससे और टाइम वेस्ट होता है। ...**(व्यवधान)**... प्लीज, आपको दुखी होने की आवश्यकता नही है। मैं खाली टाइम मैनेज कर रही हूं, क्योंकि मंत्री को भी जवाब देना है। एक सीमा हम लोगो ने उसकी बनाई है कि कितनी देर बोलना है।

श्री ललितभाई मेहता : मैं जल्दी खत्म करने का प्रयत्न करूंगा।

उपसभापति : तो इसके लिए मैं कह रही हूं कि आपकी पार्टी के और लोग भी हैं, फिर भी अगर आप अकेले ही बोलना चाहते हैं तो मुझे कोई तकलीफ नहीं है।

श्री ललितभाई मेहता : महोदया, मैं दो-तीन बिंदुओं पर ध्यान दिलाना चाहूंगा। आज सार्वजनिक क्षेत्र में जो बैंक काम कर रहे हैं, उनके द्वारा जो ऋण दिया जाता है, पर कैपिटा क्रेडिट टू द स्टेट ऑफ़ महाराष्ट्र 14,890, गोआ 14,488, दिल्ली 44,480, चण्डीगढ़ 81,351, तमिलनाडु 9,194, कर्णाटक 6,420 और गुजरात को सिर्फ 5,827 यानी क्रेडिट डिपाज़िट रेश्यो अगर ध्यान में रखेंगे, विकास का काम जहां पर तेजी से होता है वहां पर पब्लिक और प्राइवेट इन्वेस्टमेंट ज्यादा से ज्यादा है, वहां पर नेशनलाइज्ड बैंकों के द्वारा, वित्तीय संस्थाओं के द्वारा जो राशि दी जाती है वह इतनी कम क्यों है? आज हम देखेंगे कि राज्यों की स्थिति बिगड़ती जा रही है। उसका उल्लेख हमारे प्रतिपक्ष के नेता ने यहां पर किया। जो प्लान और नॉन प्लान एक्सपेंडीचर है, उसमें जो बढ़ोत्तरी हुई है, मैं पिछले दो साल के आंकड़े ही आपके सामने रखूंगा। सन् 2000-01 में जो प्लान एक्सपेंडीचर 90,760 करोड़ था और नॉन प्लान एक्सपेंडीचर 2,75, 398 करोड़ था, वह बढ़ करके प्लान में सिर्फ 1.1 प्रतिशत की वृद्धि हुई, 92,276 करोड़ हुआ, लेकिन नॉन प्लान एक्सपेंडीचर में 10.8 प्रतिशत की वृद्धि हुई राज्यों की, वह बढ़ करके 3 लाख 5 हजार 118 करोड़ हो गया। वैसे जो डिवेलपमेंटल एक्सपेंडीचर है, उसमें जो 2 लाख 23 हजार 966 करोड़ था, वह बढ़ करके सिर्फ 2 लाख 34 हजार 581 करोड़ हुआ, लेकिन नॉन डिवेलपमेंट एक्सपेंडीचर जो एक लाख 23 हजार 979 करोड़ था, वह बढ़ करके एक लाख 45 हजार 359 करोड़ हो गया। यहां पर वृद्धि 17 प्रतिशत होती है, लेकिन डिवेलपमेंट एक्सपेंडीचर में जो वृद्धि होती है वह 4.8 प्रतिशत होती है। इसके कारण राज्यों की देनदारियां बढ़ी हैं। राज्यों पर आर्थिक बोझ आया है और परिस्थिति यह निर्माण हुई कि ब्याज का बोझ राज्यों पर जो सिर्फ 15 हजार 657 करोड़ 5-6 साल पहले था, आज बढ़ करके 71 हजार 178 करोड़ हो गया। इसके कारण राजस्व घाटा और राज्य वित्तीय घाटा, Both the revenue deficit and the fiscal deficit have increased enormously. In 1951, the revenue deficit was Rs.5,309 crores, which has risen to Rs.60,540 crores in 2001-02. The fiscal deficit has increased from Rs.18,787 crores to Rs.1,06,595 crores. महोदया, राज्यों की जो आर्थिक स्थिति बिगड़ी है इसके कारण योजना के खर्च में जो हिस्सा राज्यों से आता था वह क्रमशः घट करके नेगेटिव में चला गया है। हमारे सामने बात आई है। आठवीं पंचवर्षीय योजना और नौवीं पंचवर्षीय योजना में राज्यों का कंट्रीब्यूशन माइनस रहा। माइनस 4 परसेंट इन एट्थ प्लान, माइनस 52 परसेंट इन नाइंथ प्लान और दसवीं पंचवर्षीय योजना के लक्ष्य को अगर हमें प्राप्त करना है, 8 प्रतिशत की विकास दर को अगर हमें प्राप्त करना है तो इसके बारे में भी हमें सोचना होगा। राज्यों द्वारा जो टैक्स वसूल किए जा रहे हैं, कर वसूल किए जा रहे हैं, वह कर वसूली की तादाद उतनी राज्यों में नहीं है। राज्यों के द्वारा जो संसाधन जुटाने हैं उसमें भी नोन-टैक्स के संसाधन लिए हैं, जिसमें भी वे निष्फल साबित हुए हैं। इस पूरे दृश्य को ध्यान में रखते हुए हम पूरे देश की दृष्टि से देखें और जो राज्यों पर आर्थिक बोझ बढ़ा है, देनदारियां बढ़ी हैं, ऋण बढ़ा है, हम उनको उससे कैसे बाहर निकालें, यह भी सोचें।

महोदया, अंत में एक बात कहकर अपनी बात समाप्त करूंगा। हमारे प्रधानमंत्री जी ने नेशनल डवलपमेंट कौंसिल की एक मीटिंग में जो कहा था, वह मैं यहां पर उद्धृत करना चाहूंगा -

Our endowments of productive resources--human, natural, technological, and financial -- are the envy of many. However, we are yet to harness that in a manner that yields best results. देश के कुदरती संसाधनों का पूरा उपयोग, मानव संसाधन का पूरा उपयोग, तकनीकी संसाधन का पूरा उपयोग हम नहीं कर पा रहे हैं। यह परिस्थिति है, मैडम। राज्यो के लिए यह अच्छा होगा कि हम यह देखे कि जो रिन्यूएबल एनर्जी रिसोर्सेस हैं, सोलार एनर्जी रिसोर्स है, कहा जाता है कि 1500 गुना ज्यादा यह पूरी एनर्जी रिसोर्स का है, तो इसका उपयोग करने का हम सोचे, पानी की जो संपदा है, उसका उपयोग करने का हम सोचें और जो हमारे वन संसाधन हैं उनके बारे में भी सोचें। अगर हम इसी के आधार पर अपनी योजनाएं बनाएंगे तो मुझे लगता है कि हम राज्यों की मदद कर पा सकेंगे। आभार, धन्यवाद।

THE DEPUTY CHAIRMAN: I know it is a very important discussion. Mr. Ramachandraiah, your party has 11 minutes. Please, try to speak to the point.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Madam, we had a similar debate when we discussed the Fiscal Responsibility and Budget Management Bill. I have the privilege of being a Member of the Consultative Committee meeting of the Ministry of Finance, which reviewed the guarantees given by the State Governments. This subject has been reviewed very extensively over there. It is true that the concern of growing indebtedness of various State Governments owing to the ever-increasing revenue deficit of almost all the States of the country is being expressed from all quarters.

The most alarming situation is the growing percentage of deficit over the fiscal deficit. Fiscal deficit, *per se*, as I said earlier also, is not that alarming as compared to the higher percentage of the revenue deficit over the fiscal deficit. Today, there is an answer to a similar question on the floor of the House. The situation is so alarming that the revenue deficit, as a percentage of gross fiscal deficit of various States, for example, are: Gujarat 91%, Karnataka 63%, Maharashtra 60%, Punjab 69%, Tamil Nadu 73%, West Bengal 78%. Even in States, which have, earlier, been doing extremely well like Maharashtra, Karnataka and Tamil Nadu, the percentage over the gross fiscal deficit is quite alarming. Fiscal deficit is essentially a borrowing. We have been borrowing to write-off the fiscal deficit, that is, to incur revenue expenditure. This is a luxury which the country can't afford at this juncture. We have to come out of this situation. If the same trend continues, many social problems are sure to come. I don't want to be a Prophet of

doom, but, at the same time, it also serves no purpose by living in a world of illusion. I have extracted these figures from the documents that have been submitted by the Government. From 1997-02, the quantum of debt of the State Governments is more than double. This period also saw the State finances coming under the increasing stress due to the impact of the implementation of the Fifth Central Pay Commission's Report. I have pointed out umpteen times about the impact of the Fifth Pay Commission. The imprudent decisions of both the State Governments and the Central Government and due to competitive politics -- I am not keeping one State in mind, while saying this -- which have emerged during the last one-and-a-half decades in this country, we have been going through populistic tendencies. That has also aggravated this problem. During 1993-00, the open market borrowings increased, almost, by four times. Negotiated loans, mainly of short maturities and market denominated interest rates, increased by over ten times. Loans and advances from the Central Government remained the single largest component of the State debt, though its proportion in the States' debt portfolio seems to be falling. And, the outstanding debt of the States, including reserve funds and deposits, but excluding ways and means advance, which is temporary in nature that have been given by the Reserve Bank of India, was Rs. 1,83,049 crores, constituting 23.4 per cent of the GDP at the end of the period 1993-94. It has increased, markedly, by Rs. 4.9 lakh crores, and stands at Rs. 6,71,653 crores, constituting 29.8 per cent of the GDP by the end of 2002-03. The States' borrowings, by the end of March, 2002-03, stood somewhere 29.8 per cent of the total aggregate of the GDP of all the States put together and the guarantee stands at 7.2 per cent of the GDP. Of course, guarantees are the contingency liabilities and they may become the actual liabilities. But, the way guarantees are being given in this country needs to have a re-look. For example, Enron project. When projects are being given the sovereign guarantee by the Government, the financial institutions, which are financing these projects, are not judiciously appraising projects, because the guarantee of the sovereignty is there. Even if the project cost is upgraded by 150 per cent or 200 per cent and since the Government has given its sovereign guarantee, they are not appraising the project judiciously. That was the reason for this bad state of affairs in Enron. And, mind you, ultimately, this has got to be reflected in the Power Purchasing Agreements which have to be collected from the nose of the consumer. So, it has got a multiplier effect. This concept of 'sovereign guarantee' has to be addressed by the Government properly. In respect of many States, interest

on loans, salaries and pensions are together accounting for more than the total revenue receipts of the State Governments. These are all the figures which I can deal with, at length, by citing so many examples with the help of statistics. But, ultimately, what I am trying to say is that you have been borrowing to meet the revenue expenditure. You have been borrowing money to make the interest payments and indulging, continuously, in debt service. So, ultimately, where is the end for it? How to extricate ourselves from this problem? When I spoke last time, I gave an example. I have seen a recommendation made by the Ministry of Finance, which has been circulated to the Members. According to this, the borrowings of the Ninth Plan stand at 51.34 per cent. Madam, the Ninth Plan is over. We have completed the Ninth Plan. This Ninth Plan executed with an ultimate borrowings of 108.7 per cent. It has more than doubled. Where are we really in our planning? Are we, practically, planning for ourselves? Are we near to the Planning? You have to execute the plan with the 51 per pent of the total Plan outlay with market borrowings and, ultimately, we have to end up with 108 per cent borrowings. How to come out of this situation? Every time we have been discussing these issues here. During the five years' of my experience in this House, I think, seven or eight times we have discussed about the economic situation of the country, State finances, Central finances, etc. And, in every Budget, we have been saying that we will downsize the Government. We will reduce the Government's expenditure. But, instead of reducing, it is going up. The Government's revenue deficit is going up. What exact plan has the Government got? How to reduce it? There is no need to make temporary promises that cannot be implemented because the Ninth Plan itself has been an example of that. And the recommendation that has been made is quite surprising to me. That there has to be a Plan cut if the debt over-hang is to correct itself. Suppose, you reduce the borrowings, you reduce the Plan cut, how can you meet the revenue expenditure? How are you going to meet the salary bill? How are you going to meet the pension bill? Just overnight, you cannot send away all the employees of this country. So, where lies the practical solution? This is a solution which cannot be implemented. Reducing the Plan size is not a solution at all. You increase the operations. Even in a private limited company, or, a public limited company, when the fixed cost cannot be reduced, you have to increase the operations. So, you borrow if you are unable to mobilise the resources. Spend it for creation of capital assets and increase the operations. Then, the percentage of cost will go down automatically. That should be the solution. It is not by cutting

the Plan size. And the Government has made some announcement with regard to the consolidation of fiscal condition. They said in the reply today that the Non-Plan revenue deficit grant as recommended by the Eleventh Finance Commission, the Government of India, is also extending need-based assistance to the States, so as to take care of temporary mismatch in their receipts and expenditures. And the second help that they are doing is by way of the "States' Fiscal Reforms Facility". This provides incentives to the States to undertake Medium-term Fiscal Reforms Programme. And the Debt-Swap Scheme that has already been announced has got some impact on the States. They can get rid of the their high cost borrowings because of the lower rate of interest that is being charged. The Government of India has also assisted some State Governments to avail multilateral institutional funding for undertaking fiscal and structural reforms. All these things are there. It is a step in the right direction. I appreciate it. It is like giving Aspirin to a cancer patient. It is not going to solve the problem. You cannot treat a cancer patient with Aspirin. That has to be treated differently. Therefore, I would like to suggest to the Government, first, get rid of the ailing projects in this country; the public sector units. And whatever projects can be made viable, kindly make them viable. And let the Government make serious attempts for achieving a national consensus on downsizing the Government. Downsizing the Government does not mean cutting the Plan size. It would be a stupendous task for you. Taking the economic considerations into account, it is impossible to cut the Plan size because we have got one billion population. Our requirements are more. And, as a short-term measure, step up the public investment. Last time also, I had the privilege of talking on this subject. You have to step up public investment. I quoted the Chinese example where, within a span of six months, $ 1.5 trillion were raised. They were able to issue the Treasury bills and spent it on various infrastructure sectors. And that has kick-started the economy of that country. So, you do it. But ensure that that is being spent for the capital assets, especially, on infrastructure. I made a suggestion that funds are not a problem in this country. I made a suggestion to the Government, you announce the scheme, and don't question the source of the investment, as we have done it 2-3 times in the form of Voluntary Disclosure Scheme. Give some 5 to 6 per cent rate of interest redeemable after 10 or 15 years and name it as infrastructure bonds. I can assure you that you can get a minimum of Rs. 5,00,000/- to 6,00,000/- lakh crores in the form of bonds. There is a lot of black money in this country. And our Income Tax Departments, in spite of their best

efforts are unable to unearth it. So, by increasing the fiscal deficit and by indulging in more borrowings, kindly step up the public investment. It has been proved, beyond doubt, umpteen number of times, that public investment and private investment are complimentary to each other. Unless public investment is stepped up, you cannot invite private investment. You cannot generate the demand for goods overnight, in this country, because people's economic condition cannot be improved overnight. You have to go for outsourcing. And, outsourcing has its own limitations. Because of cost effectiveness, your productivity is very low, both in the agricultural sector and the industrial sector. Profile of India is very poor. We have been unable to project India's image abroad in a proper way. There are so many constraints -- corruption, nepotism, and bureaucratic hurdles. What I am trying to suggest is, if you sincerely want to extricate out of this situation, you will have to adopt practical methods. Let us emulate the examples, which have been demonstrated and have shown good results in other countries.

THE DEPUTY CHAIRMAN: Will you please conclude, now?

SHRI C. RAMACHANDRAIAH: Madam, I would take just two more minutes. Agriculture sector employs 65 per cent of the country's workforce. What incentives have been provided to this sector? For argument's sake, we would say that we could increase productivity with all the measures that the Government can initiate. Can we compete at the international level, where Western countries offer 65-70 per cent subsidy? And, we are going to enter into WTO Convention! We cannot compete with them. So, the policy initiatives alone cannot give results. You have to initiate measures, in a way, that you can strike at the problem directly, so that trade can flourish. We have not been able to achieve even 14 per cent of the total advances to the agriculture sector. And, you have proclaimed 18 per cent. Even 18 per cent is not sufficient. Thanks that you have reduced the rate of interest on the loans that are being given to the farming community. So, what I am trying to suggest to the Government is that it is a stupendous task to step up the demand for goods in this country. So far as outsourcing is concerned, you will have to create a congenial atmosphere. You will have to improve the economic condition of the people of this country. Then only there will be a demand for the goods. Then only industrial activities will pick up. And, the people, after spending on their necessities, will have some money to invest. That will come to the Government as an investment. The

private investments will also come, when you invest in an infrastructure sector. That will kick-start the economy, not just the suggestions. It will never help you. You will end up nowhere. So, the Government will have to achieve a growth rate of eight per cent. And, it has to be done for the next 10-15 years continuously; otherwise there will be no solution. The only panacea to step up the investment is to increase the growth rate. Thank you, Madam.

THE DEPUTY CHAIRMAN: Shri Nilotpal Basu. Of course, you know how to stick to time.

SHRI NILOTPAL BASU (West Bengal): Madam, to the best of my knowledge. If there is some slack, I crave your indulgence....*(Interruptions)*...

THE DEPUTY CHAIRMAN: It is not my indulgence. It does not go out of my pocket.

SHRI NILOTPAL BASU: Madam, perhaps, it is not accidental that within a span of six months, we, in this House, which is also the Council of States, have been discussing this very important issue of State finances. I must, at the very outset, thank the Leader of the Opposition, Dr. Manmohan Singh, for laying a very good ground to discuss this issue. Not that I agree with all his observations, or, many of the thrusts in which he believes. But, at the same time, I am, at least, happy that given the situation in the country there is a great degree of realism in the way we think. Therefore, I think, there is also a great convergence on which a meaningful and purposeful consensus can be evolved. It is of paramount importance that the level of State finances is totally unacceptable; there is no doubt about that. I think each one of us in this House will agree with me on that score. I think, for the last 4-5 years, the discussion was confined more between the Union Government and the State Governments and there was an empowered committee constituted by the important Finance Ministers and the Chief Ministers of the States, and that was undertaking an exercise. But I think, now, the whole issue has assumed a critical proportion, where it is coming out in the open, and a public debate is emerging on that issue. I think, the discussion that we held earlier, the discussion that we are holding today and the amount of material that has been produced by the State Governments in their presentations to the Twelfth Finance Commission, which has started its work, are contributing to that public debate. I totally

agree with Dr. Manmohan Singh that since the days of framing of our Constitution, wherein article 275 of Chapter XII of the Constitution gives a broad outline of how the resources are to be devolved to the States, have undergone a sea change; and from the days of Gadgil formula, the composition of the sectoral expenditure in terms of plan and revenue has also undergone a change. Therefore, there is a need to have a relook at the entire pattern of Central assistance in terms of grants and loans. I think, there is also an additionality which has to be incorporated in our planning process, in our resource devolution pattern, that is, the whole scheme of decentralisation which we have taken upon ourselves by making 73rd and 74th amendments to the Constitution, whereby we have decentralised the process of development by devolving a lot of responsibilities on the local self-Governments, be that in the rural areas or in the urban areas; and, there is a great possibility that has also opened to us in terms of resource mobilisation and in terms of better management of our expenditure, which, ultimately, gets translated in terms of realising our development aspirations. Therefore, all these taken together, I think, the Twelfth Finance Commission could be an appropriate forum, with proper inputs from all these discussions that we have in the Parliament, to really evolve a new paradigm of resource sharing, for addressing the developmental concerns of the country. Having said that, the first point I would like to make is this. I totally agree with Dr. Manmohan Singh when he says in trying to make a prognosis of the crisis, that reduction in the proportion of transfer of resources from the Central Government to the States in terms of addressing some of the new and emerging problems that are faced by the States is a major concern. And, there is an asymmetry. I have figures with me. But in terms of developmental expenditure, what is the situation? In the year 2000-2001, according to the actual expenditure figures, compiled by the Reserve Bank of India, the burden of annual developmental expenditure that was borne by the States, all the States taken together, which was about Rs.2.11 lakh crores, was about 51 per cent higher than what was borne by the Centre, Rs.1.39 lakh crores. But, at the same time, of the total revenue collected in the country in the year 2000-01, which was Rs. 3.06 lakh crores, nearly 62 per cent got raised in the hands of the Central Government and only 32 per cent in all the States taken together. Now, there is a disproportionality in terms of the responsibilities in terms of developmental expenditure towards the States, whereas the resource mobilising capacity is disproportionately concentrated in the hands of the Central Government. Therefore, in order to overcom

3.00 P.M.

this basic asymmetric, unless there is a greater share of transfer of revenue collected by the Union Government to the States, I think, the States are in real trouble. Now, insofar as that is concerned, we are finding that, in fact, there is a slight reduction. Even 29.5 per cent of the revenue that was decided that this will be transferred, there is an actual reduction. And if we taken into account the figures for the entire Ninth Plan period, we will see that it stands somewhere round 27 per cent, whereas, it should have been I mean, if we try to extrapolate and quantify the degree of responsibility borne by the State Governments in terms of actual developmental expenditure -- around 34-35 per cent, and progressively, it has to go up to 50 per cent. Now, unfortunately, that is not there. And, secondly, there is also, I think, no difference of opinion about the impact of the Fifth Pay Commission, on which the State Governments had no control whatsoever. And, then there is whole question of debt. Now, we are seeing that in States like West Bengal, for example, which has actually registered a very handsome growth rates in the Ninth Plan period, *i.e.*, 7.1 per cent, which is one of the higher growth rate achieved by the States, and which is more than the national average, actually our tax State GDP ratio is coming down. Now, on the one hand, we register better growth, but because of this rapid acceleration in the growth, the scope of the States to raise tax resources is limited because that gets concentrated in the hands of the Union Government, and if we see the actual, I mean, the composition of the growth of the State of West Bengal during the Ninth Plan period, we will find that around 33-34 per cent is in the agriculture sector, and around 50 per cent is in the services sector, whereas in the services sector, the States were not having any powers to impose taxes, and in agriculture also, the scope of taxation was very limited. So, in keeping with the accelerated rate of growth at the State level, the mobilisation capacity was not growing up. Therefore, this asymmetric could be only compensated by a greater share of transfer of resources to the States which did not happen, and, therefore, the States are saddled with a huge deficit position. I think, let us not go into a blame game, and let us also not really ask for comparative better-achievement figures, as Lalit Bhai was doing. I think that doesn't help us. Collectively, the Union Government and the State Governments and all of us, the people's representatives, will have to put our heads together to overcome this problem. For example, from the late 90s' to the early 2000, a continuing crisis is being faced by the States. You see even after some

reform initiatives, we are seeing that it is producing results in terms of bringing down the current deficit level. But already, the extent to which deficit has piled up and the interest burden on that is so much that unless there is some kind of a special package which is devised, we are in for a big trouble. Now, for a State like West Bengal, our Plan size was cut by almost half. This is not the solution. I totally agree with Shri Ramachandraiahji that if the Plan becomes a casualty, then the ultimate capacity of overcoming the difficulty also gets accentuated. It becomes problematic. Therefore, I think, our solution lies in how we could expand our productive assets and our productivity. And here comes the extent to which one can prove...*(Time-bell)* Madam, this is a very important subject...

THE DEPUTY CHAIRMAN : I agree with you 100 per cent.

SHRI NILOTPAL BASU : Therefore, there is no doubt about the fact that one has to be prudent in his expenditure, and to what extent we can cut subsidy, but there is a limit. For example, I refer to the power sector, to which Dr. Manmohan Singh has also referred. Now, what will be the paradigm? It sounds very well to say that there will be a cost-based tariff. But I asked myself this question: Is it rational, is it legitimate that an industry, requiring 100 megawatts of power and the tariff rate the industry will pay, and the household which consumes, say, one kilowatt, will also pay the same kind of rate? Is it not, actually, a reverse subsidisation of the vulnerable, of the poor, to the rich?

Now, similar principles have to be applied for a cost-based tariff for utilities. Now, is this sustainable in a country in India? I am totally for reducing the mismanagement in the public transport. But at the same time, we have to understand that things like power, telecom and public transport, have their productive uses. As a result of our reform of these processes, if we limit the usages and access to these very important productive inputs, ultimately, that will adversely affect the overall economy and our need to grow. I think, there is also a very important question : what kind of a growth path do we strive for? Now, unfortunately, this fiscal management that we are proposing, is still not addressing the basic question of how we can improve the State finances and the Central finances. Now, the centrality of the question of employment generation and the allocation of funds is not there, because howsoever we may say, nobody has any opposition to private investments. But, where is the private investment? Yesterday also,

there was a reply. The FDI is hovering down to 2 billion dollars annually. Even in private investments, there are no signs of any spark. Our economy suffers from the demand-compression. Unless there is some kind of an economic empowerment, with this kind of State finances, with this kind of Central finance and in totality, the Government finances, can we really address the critical issues of the present times? Now, there has been a comment, and rightly so, by Dr. Manmohan Singh, and, principally, I have no disagreement that small savings should not go to finance revenue expenditure. But the point is that it is a vicious circle; it is a spiral from which the States are not being able to come out. Unless there is some kind of a Central attempt to address the debt question, it is difficult. You are also elected by the people. You cannot say that I will not provide drinking water. You cannot say, "I cannot provide private education" You cannot say, "I am not going to provide primary health care, and there are panchayats". You have given them some responsibilities. You cannot de-activate this process of decentralisation. You cannot deny them the supplementary finances that they need to become real organs of instruments of development. And also, you are mindful of the national objectives of increasing your gross domestic savings, which is hovering around only 22 per cent. People refer to China, but they don't see that the Chinese rate of domestic savings is around 40 per cent. Where will the investment come from? Therefore, a State like West Bengal, which for the last seven years has been having the best record in terms of small savings, is now in acute debt! How? The Government of India has to pay an interest of eight per cent to the people who are attracted by small savings, but from the States they are charging 9.5 per cent. I can say, for sure, the so-called Debt Swap Scheme has not really, appreciately, helped the States. Unless, at least, the actual interest rate is being paid by the Government of India and the entire benefit is actually transmitted to the States, we will have a real problem. I totally agree with you about the special areas of the North-East. But, at the same time, there are also special problems within the States. Now, what about the money? I am sure, Laluji will ask a question in respect of division of the State and the package that was to be there. Now, in a State like West Bengal, 80 lakh refugees came. And within 12 years, the problem of 12 lakh refugees from West Punjab was sorted out; we are happy at that. But, what about West Bengal? Still the schemes, that were committed by the Government of India in 1976, have not been funded. Now, what about the problem of floods in North Bengal? Our entire river system is international. There is no integrated management by the Government of India to settle

issues with its neighbouring countries. We had severe floods in 2000-01. We had to spend 1,500 crores. No compensation has been available from the Government of India. There is a problem as a result of this migration. The migration rate is the highest in West Bengal. As a result, today, our population density in the country is the highest, 907 per square kilometre whereas the national average is three-hundred-and-odd per square kilometre. Now, because of this population density, the cost is very high for infrastructure projects or for acquisition of land. Where is the compensation? Therefore, along with special regions in the country, which need special support within the States, there are special areas where problems have been created, primarily because of the factors which are beyond the control of the State Governments; that have to be also addressed.

SHRI PRANAB MUKHERJEE (West Bengal) : Madam, I have a small submission for the consideration of the Leader of the House, and for you also. This is a very important subject. Most of the State representatives would like to speak and highlight the special problems of the States. We are not hard pressed for the Legislative Business. We have calculated the days available to us, and, as you know, Madam, we are always ready to sit late hours and pass the Legislative Business. My respectful submission would be, if we can expand the debate for a day, then you need not press the bell so often, because we have to work under constraints. Only four hours are given. That means, 240 minutes are available. But, if we can expand it for a day then the Members can also make their points and the Chair is also not under constant constraint. This is for the consideration of the Leader of the House, if he agrees. I may remind him that on one occasion he said that he would not mind if we discussed the subject the whole day, or even for more than a day. Thank you, Madam.

THE DEPUTY CHAIRMAN: Let the Minister concerned say.

THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : Certainly, Madam, the House can discuss it for as long as they want - one day, two days or for four days. I have no difficulty. But I have obligations in the other House also. I have, for example, to move certain legislations in the other House, to introduce Bills, and I have also to reply to those debates. And I have to attend a meeting of the Cabinet this evening also. Now, the

House can keep on discussing as long as they want. That is not the problem, but then the question of my responding to debate will have to be left free because I cannot respond today, I cannot respond tomorrow, and then it will have to be delayed.

SHRI PRANAB MUKHERJEE: It can be done day after tomorrow. You can reply day-after-tomorrow. If you do not have any problem, we can complete the debate today and tomorrow. Somebody can take note of the observations made by Members. It is not necessary that throughout eight hours you will have to sit in the House.

THE DEPUTY CHAIRMAN: Let the Minister go to the other House. We do not have any legislation to pass in this House, but he has to come here.

SHRI NILOTPAL BASU: That is okay. But I am saying that we can extend by a couple of hours, which is practical and the hon. Leader of the House and Finance Minister can reply on Friday.

THE DEPUTY CHAIRMAN: At his convenience.

SHRI NILOTPAL BASU: On Friday at 12 o' clock, I think, we have some free time, in so far as the allocation of business by the BAC is concerned, there he can take about an hour's time to reply because many substantial points have been raised.

THE DEPUTY CHAIRMAN: I leave it to the Finance Minister and Leader of the House to decide because his convenience has to be ascertained.

SHRI JASWANT SINGH: Madam, I will do, as the House wants. But I have a suspicion that having decided that 'yes', I should reply on Friday and on Friday we will find something else to do, so the reply will get delayed. But, certainly, if you want me to reply on Friday, I will reply on Friday.

SHRI NILOTPAL BASU: We have no problem.

SHRI PRANAB MUKHERJEE: We have no problem.

THE DEPUTY CHAIRMAN: But that does not mean that Members can speak for any length of time.

SHRI NILOTPAL BASU: I will not take any test of your patience. I was in the mode of concluding my speech. There are special problems like this, which are completely beyond the control of the States and the dimension of the problem is so big, for example, the erosion of riverbanks. These are the issues, which have been discussed at length, and this has been agreed to by the Planning Commission. There is a place in Murshidabad where the bridge between the two rivers, Padma and Ganga, has narrowed down to 1.07 kms.

[THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY) in the Chair.]

If this would happen to certain other dams or the Farakkah dam, we do not know what kind of a disaster will be there. The kind of expenditure that is required to address this critical problem is beyond the limit of the State Government. I found the day before yesterday, there was a piece in one of the newspapers - earlier our idea was that due to this geological fault there was arsenic poisoning in the ground water resources in the West Bengal, it originates in the Raj Mahal hills, perhaps Ahluwaliaji knows it - that certain American scientists and geophysicists are saying that it starts from the Himalayas. Now, you have a problem right up to the North India and the kind of disaster that will be there - almost one third of our population is now affected by drinking water problems which are due to geological fault. Nobody can do anything about it. And you cannot use the ground water; you have to use surface water. Now, there was a Central Programme for providing drinking water. Now, they say that this is a problem which the State will have to address from its own Centrally-sponsored schemes on par with other States. In Bihar and Orissa also, there is the problem of arsenic poisoning. I could not agree more with Dr. Manmohan Singh about special problem areas but each State may have such problem areas which need resources and which cannot be funded by the State's income alone. So, these issues are there. Then, there is the overall debt position, the debt stock. We have to find a way out to liquidate, to a certain acceptable level, the debt stock so that the subsequent measures, as a result of the reforms, could generate that kind of revenue and surpluses, which can keep the debt stock at an acceptable level. For that, the agreed area is transferring the Centrally-

sponsored schemes to the States. In 1996, it was agreed. In 1997, at the meeting of the NDC, it was reiterated. It was reiterated by the Plan also. But nothing has been done. Why should the areas which belong to the State List, those Centrally-sponsored schemes, remain with the Central Government? Why should not those schemes, along with the funds, be transferred to the States? That will also allow the Central Government to increase the total amount of resources to be devolved to the States and take it towards the target of 50 per cent. So, I think these are issues which need a collective response. I think, very rightly, the Tenth Plan Document has a special chapter on the States' Plan this time and it says that the enormity of the problem that we are facing now cannot be sorted out by the Centre alone and that the planning process should be discreet. There has to be an integrated, dovetailed approach. There has to be a greater degree of harmonisation in the approach of the Government of India and the State Governments and rightly, as Dr. Manmohan Singh has said, there has to be a greater consultative element in your approach towards the problems that we are facing, the challenges that we are facing. I think, this debate will positively contribute in moving towards that direction. Thank you.

प्रो0 रामगोपाल यादव (उत्तर प्रदेश) : श्रीमन्, कई बार हम लोगों ने न केवल हमारे देश की वित्तीय स्थिति क्या है, बल्कि राज्यों की वित्तीय स्थिति पर भी चर्चा की है और एक बार फिर यह अवसर यहां मिला है हम लोगों को डिस्कस करने का। जब-जब इस तरह के डिस्कशन होते हैं, बहुत सारे आंकड़े और बहुत सारे तथ्य लोगों के सामने रखे जाते हैं स्थिति को स्पष्ट करने के लिए। लेकिन आम लोगों का ऐसा मानना है कि इस देश की और राज्यों की आर्थिक स्थिति को अगर आंकड़ों के मकड़जाल से बाहर निकलकर देखा जाए तो वास्तविकता का अंदाजा लगाया जा सकता है। हमारी केन्द्र की जो स्थिति है, उसका जो फिसकल डेफिसिट है, राजकोषीय घाटा है वह जिस तरीके से बढ़ रहा है, उसी तरीके से राज्यों में लगातार यह स्थिति है और जब तक यहां पर स्थिति में सुधार नहीं होगा, तब तक राज्यों की स्थिति में भी सुधार होना मुश्किल है क्योंकि केन्द्र और राज्य अपरिहार्य रूप से एक दूसरे से जुड़े हुए हैं, ऐसी स्थिति है। इसलिए जब तक काम करने का तौर-तरीका सुधरेगा नहीं, स्थिति में सुधार नहीं होगा। हम योजना बनाते हैं, खर्च करने के लिए धन स्वीकृत करते हैं लेकिन क्या जिस उद्देश्य के लिए हम धन स्वीकृत करते हैं, उसको उस पर खर्च किया जा रहा है, इसकी कोई मॉनिटरिंग होती है? महोदय, राज्यों की जो खराब वित्तीय स्थिति है, उसके लिए केन्द्र और राज्य, दोनों ही जिम्मेदार हैं। केन्द्र से जो मदद दी जा रही है, उसकी मॉनीटरिंग हो रही है या नहीं हो रही है, इसको कोई देखने वाला नहीं है। CAG की रिपोर्ट आती है, फाइनेंस कमीशन अपनी रिपोर्ट देता है, प्लानिंग कमीशन अपनी रिपोर्ट देता है लेकिन उन सिफारिशों पर कभी गौर नहीं किया जाता है और धन जहां खर्च होना चाहिए, वहां खर्च नहीं होता है।

महोदय, रिजर्व बैंक ऑफ इंडिया की एक रिपोर्ट है जिसके मुताबिक हमारा नॉन-एसेट फॉर्मिंग एक्सपेंडिचर बहुत ज्यादा बढ़ रहा है। ऐसी मदों पर धन खर्च हो रहा है जिससे कुछ भी

उपलब्ध नहीं होना है, जिससे कोई assets नहीं बन रही हैं और यही स्थिति राज्यों में भी है। फाइनेंस कमीशन के जरिए, प्लानिंग कमीशन के जरिए और दिल्ली में बैठे हुए वित्त मंत्रालय के जो लोग हैं, ये कुछ इस तरह की गाइडलाइंस बनाएं जिसके जरिए यह संभव हो सके कि जो पैसा खर्च हो रहा है, उससे कुछ assets तैयार हों, तब तो कुछ लाभ हो सकता है वरना आप योजनाएं बढ़ाते जाइए, धन खर्च करते जाइए, उससे कुछ लाभ होने वाला नहीं है।

महोदय, मैं एक रिपोर्ट पढ़ रहा था दिल्ली से जो धन दिया गया, उसके बारे में। केन्द्र सरकार ने राज्यों के small towns and medium towns के लिए कुछ प्रोजेक्ट्स बनाए। पिछले 20 सालों में इस तरह के 3,870 प्रोजेक्ट्स बने, जिनमें से केवल 812 कंप्लीट हुए। इन प्रोजेक्ट्स के लिए सारे हिंदुस्तान में पैसा दिया गया, पैसा सैंक्शन हुआ। मैं उत्तर प्रदेश का उदाहरण देना चाहता हूं। उत्तर प्रदेश में इस योजना के अंतर्गत ऐसे तमाम नगर थे, छोटे-छोटे कस्बे थे जिनके लिए धन स्वीकृत हुआ, योजना बनी लेकिन उनमें 100 प्रतिशत पैसा नहीं लगा। न वह यहां से मॉनीटर हुआ, न राज्य सरकार ने उसको देखने की कोशिश की। ऐसे कई उदाहरण हैं - बड़ौलगंज, कुशीनगर, रुझानी, ननौता, नवाबगंज, ऊंडा, चित्रकूट धाम, काकोरी, इनमें एक भी पैसा खर्च नहीं हुआ है और स्वीकृत पैसा पड़ा हुआ है। सारे देश में ऐसे छोटे-छोटे कस्बे और नगर हैं जिनके लिए पैसा केन्द्र सरकार ने दिया और जिनमें 25 परसेंट से भी कम पैसा खर्च हुआ, शेष पैसा जैसे का तैसा पड़ा रहा या दूसरी मदों में डाल दिया गया। यह होता रहता है और दूसरी ओर इतनी फिजूलखर्ची हो रही है। इससे एक पैसे का भी लाभ होने वाला नहीं है। मैं आंकड़ों वाली बात नहीं कह रहा हूं लेकिन मैं फिजूलखर्ची की ओर ध्यान दिलाना चाहता हूं। यह जो mismanagement है, जो indiscipline है, जब तक आप इस पर नियंत्रण नहीं करेंगे, तब तक आप चाहे जो भी योजना बनाइए, उससे लाभ होने वाला नहीं है। आप वॉटर रिसोर्सिज के लिए तालाब खोद रहे हैं। पैसा दिल्ली की सरकार दे रही है। आप मॉनीटर कीजिए। मैंने अपने जिले में केवल एक ब्लॉक की मॉनीटरिंग की तो पता चला कि यहां से वॉटर रिसोर्सेज डिपार्टमेंट की तरफ से 4 तालाब खोदने के लिए पैसा दिया गया, आप आश्चर्य करेंगे, मैंने डी.एम. से कहा कि आपने देखा है कि पैसा कैसे खर्च हुआ है? सारा पैसा कागजों पर खर्च हुआ है और एक पैसा भी कहीं किसी तालाब पर खर्च नहीं हुआ। जिन पंचायतों को यह पैसा दिया गया, उन्होंने और अधिकारियों ने मिलकर कागज पर यह पैसा खर्च किया और यह रोज हो रहा है। हेलीकॉप्टर से जब आदमी चलने लगेगा तो सड़क कैसी है, वह नहीं देख सकता है। खण्डूड़ी साहब अगर नेशनल हाइवे को बाई रोड देखेंगे तो मालूम पड़ेगा कि सड़कें कैसी हैं। मंत्री और मुख्यमंत्री बाई रोड जाएंगे तो मालूम पड़ेगा कि सड़कें कैसी हैं। जब से मंत्री और मुख्यमंत्री हेलीकॉप्टर से चलने लगे हैं, तब से इस देश की सड़कों की दुर्दशा हो गई है, कोई देखने वाला नहीं, कोई अधिकारी परवाह करने वाला नहीं है।

श्री मूल चन्द मीणा : आप राजस्थान में चलिए वहां भी देखिए।

प्रो0 रामगोपाल यादव : मैं राजस्थान में भी गया हूं और कई जगह गया हूं।

श्री मूल चन्द मीणा : अब आप चल कर देखिए।

प्रो0 रामगोपाल यादव : मैं तो चाहता हूं कि बहुत बढ़िया और हो जाए और जनता की निगाह में भी ऐसा ही बना रहे। ...**(व्यवधान)**...

मैं तो पूरे देश की चर्चा कर रहा हूं। राजस्थान देखा है, मैंने मध्य प्रदेश को कुछ साल पहले भी देखा था। मैंने दिग्विजय सिंह जी से कहा कि श्रीमन्, पहले जब हम इटावा से ग्वालियर जाते थे तो हम उत्तर प्रदेश के लोगों से कहते थे कि कितनी शानदार सड़के हैं मध्य प्रदेश की। लेकिन अब यू0पी0 से भी ज्यादा खराब स्थिति हो गई।

श्री मूल चन्द मीणा : दो महीने बाद अच्छी हो जाएगी।

प्रो0 रामगोपाल यादव : दो महीने बाद की स्थिति अच्छी होने लायक रहोगे या नहीं रहोगे, यह कुछ नहीं कह सकता। यह कौन कह सकता है? इसलिए यह बात मत कहिए बीच में।

उपसभाध्यक्ष (श्री प्रभाकर रेड्डी) : प्लीज ।

प्रो0 रामगोपाल यादव : मुझे तो ये लोग भटका देते हैं। ...**(व्यवधान)**... मैं यह बतला रहा था कि स्थिति इतनी खराब हो गई है कि लोग परवाह नहीं करते हैं कि जो धन कहीं से चाहे जनता से टैक्स के जरिए आ रहा है या केन्द्र से असिस्टेंस के जरिए जा रहा है, वह कहां लगना चाहिए, योजना क्या है? सारा ऐसा एक्सपेंडीचर हो रहा है जिससे कुछ भी होने वाला नहीं है। अगर आप दिल्ली से उत्तर प्रदेश में नोएडा में घुसिएगा तो वहां कई करोड़ की लागत से लोहे का एक गेट बनाया जा रहा है। लोग नोएडा रोज जाते हैं। उससे क्या लाभ होने वाला है? मैदानों के बनाने पर 50-50 करोड़ रुपए खर्च हो जाएंगे। इससे कौन सी उपलब्धि होने वाली है। एक ट्यूबवैल लगाने के लिए पैसा खर्च नहीं किया जा सकता जिससे फसल को पानी मिले और कुछ प्रोडक्शन बढ़े। लेकिन यह नहीं हो सकता। आप उत्तर प्रदेश और उसके आसपास देखते हैं कि किसानों के लिए जब गन्ने का और आलू की फसल का वक्त आता है तो हर बार इस तरह के ऐसे रोग हो जाते हैं जिनके खत्म करने के लिए रिसर्च पर आज तक कोई कोशिश नहीं की गई, उन पर कोई पैसा खर्च नहीं किया जाता। अगर वह होता भी है तथा यहां से दिया जाता है तो वह ज्यादातर तनख्वाह में खर्च हो जाता है या इधर-उधर खर्च हो जाता है। तो राज्यों की जो स्थिति है, वित्त मंत्री जी यहां नहीं हैं, मैं यह जरूर कहना चाहूंगा कि जैसा नीलोत्पल जी ने कहा कि जो खर्च हो रहा है तथा जो एक्सपेंडिचर राज्य कर रहे हैं तथा जो दिल्ली में जो खर्च दिल्ली की सरकार करती है उससे बहुत ज्यादा है। जबकि टैक्स का जो कलेक्शन है यह दिल्ली की सरकार के हाथ में बहुत ज्यादा है और राज्य सरकारों के हाथ में बहुत कम है। तो यह जो इम्बेलेंस है, दिक्कत तो है इसकी वजह से। हां यह तो हो सकता है कि आप दिल्ली में बैठे हुए हों तो जिनको आप ठीक समझें उसकी आप जब चाहे ज्यादा मदद करदें लेकिन कई राज्यों को इससे दिक्कतें आ रही हैं। इस बारे में मुख्यमंत्रियों की मीटिंग हुई है जिसमें कहा है कि हम दूसरी सत्ता दिल्ली में जिन लोगों की है उनसे हटकर अगर किसी पार्टी के लोग हैं तो उनको उतनी मदद नहीं दी जाती। तो यह गुंजायश ज्यादा टैक्स वसूली से जो पैसा आता है उससे होती है दिल्ली सरकार को। तो मेरा यह अनुरोध रहेगा कि सारे राज्यों को उससे मदद तो मिलेगी लेकिन जो रीजनल इम्बेलेंसिज पैदा हो रहे हैं कुछ राज्यों की आर्थिक स्थिति सुधरी है लेकिन उत्तर भारत के कई राज्यों की स्थिति बहुत खराब है। इसमें उत्तर प्रदेश है, बिहार है,राजस्थान है, मध्य प्रदेश है। इनका एरिया भी बड़ा है। इनके लिए विशेष पैकेज की व्यवस्था होनी चाहिए, विशेष राहत देने का काम होना चाहिए क्योंकि जो सेंट्रल असिस्टेंस के लिए प्लानिंग कमीशन ने या जैसे पहले गाडगिल फार्मूला वगैरह तैयार किया गया

था, उसमें हम लोगों का हमेशा से यह कहना था कि न केवल आबादी बल्कि एरिया को भी उसमें जोड़ा जाए फिर उसके बाद फार्मूला बनाया जाए क्योंकि अगर एरिया को नहीं जोड़े केवल आबादी को जोड़ेंगे तो राजस्थान को तो दो गांव जोड़ने के लिए इतने रोड्स चाहिए, उतने में उत्तर प्रदेश में 20 गांव जुड़ जाएंगे। राजस्थान के लिए जब तक एरिया नहीं जोड़ा जाएगा, तब तक राजस्थान को जो मदद मिलती है, व जिसको जरूरत है, उसका अनुपात उसे नहीं मिल सकता है। इस प्रकार एरिया और पापूलेशन, दोनों का ख्याल रखते हुए राज्यों को केन्द्र से मदद देने की कोशिश होनी चाहिए। इसलिए कोई स्ट्रिक्ट फार्मूला ही नहीं होना चाहिए, कई बार विशेष परिस्थितियां भी आ जाती हैं। कई बार राज्यों में बड़े अकाल के चलते या कोई अन्य दैवीय आपदाएं आ जाती हैं, उनके चलते एक ही राज्य में एक हिस्से में बहुत दिक्कत होती है लेकिन दूसरे हिस्से में नहीं होती। उसके लिए विशेष व्यवस्था करने की जरूरत है। राजस्थान में पिछले पांच साल से - अब की बार तो कुछ हिस्से में बारिश हुई है, ऐसा समाचारपत्रों में पढ़ा है - लेकिन पिछले लम्बे अरसे से बारिश नहीं हुई। मैं जोधपुर से लेकर आगे तक उस इलाके में गया था जहां घास का एक तिनका कहीं नहीं रहा। लोगों ने जानवर छोड़ दिए। अब की बार बारिश हुई है, लम्बे अरसे के बाद हुई है। जब ऐसी स्थिति पैदा हो जाए तो राज्य की सारी इकॉनमी, जितना टैक्स से पैसा मिलता है या जितनी रेवेन्यू रिसीट्स होती हैं, वह सारा लोगों की मदद में खर्च कर दे तब भी स्टेट गवर्नमेंट कुछ नहीं कर सकती है इसलिए केन्द्र सरकार का दायित्व बनता है कि विशेष सुविधाएं ऐसे अवसरों पर राज्यों को देनी चाहिए। उत्तर प्रदेश के एक हिस्से में ज्यादा बारिश होती है तो दूसरे में सूखा पड़ा हुआ है। लेकिन समाचार पत्रों में पढ़ लेते हैं कि पानी खूब बरस रहा है तो मान जाते हैं कि पानी बरस रहा है। अब लोगों की जो रिपोर्ट होती है, उस पर कोई असर ही नहीं होता। इस तरह से जो बड़े राज्य हैं या जिनमें दैवीय आपदाएं हैं या जिनकी आर्थिक स्थिति ठीक नहीं है, उनके लिए विशेष पैकेज की व्यवस्था केन्द्र सरकार को करनी चाहिए। इसके अतिरिक्त जो पैसा आप दे रहे हैं, उसकी मॉनिटरिंग जरूर करनी चाहिए। मैं सीएजी की रिपोर्ट में पढ़ रहा था कि राज्यों में वीकर सैक्शन के लोगों के लिए जो पैसा दिया गया है, उसमें से लगभग 800 करोड़ रुपया पिछले वित्तीय वर्ष में राज्यों ने खर्च ही नहीं किया। ऐसी एक बात नहीं है, बहुत सारी हैं। हैल्थ के लिए, ऐजूकेशन के लिए कहा जाता है कि वहां पैसा नहीं है और हजारों करोड़ रुपया वापिस कर दिया जाता है या पीएलए में डाल दिया जाता है - खर्च नहीं हो पाता है। यह मिस मैनेजमेंट है। इसके अतिरिक्त सारा पैसा मार्च में ही खर्च होता है। यह जो कुशासन है, या वित्तीय अनुशासन की जो कमी है, वह लगातार चली आ रही है, इस पर रोक लगाने की कोशिश क्यों नहीं की जा रही है? आपने एक योजना बनायी कि एक साल में यह काम कम्पलीट होना है। 12 महीने में से 9 महीने तक एक पैसा नहीं दिया जाता है और आखिरी quarter में 60 परसेंट, 70 परसेंट पैसा रिलीज़ किया जाता है। ऐसी तमाम योजनाएं हैं जिनमें 31 मार्च को 50 परसेंट, 60 परसेंट और कई कई जगह 80 परसेंट पैसा खर्च किया जाता है। यह रिकॉर्ड में है। लेकिन कभी भी उसको सुधारने की कोशिश नहीं की जाती। क्या 31 मार्च को जो पैसा रिलीज़ किया जाएगा, वह एक दिन में खर्च हो जाएगा? आप लोग जानते हैं कि सारा दिन आफिस खुले रहते हैं, वाउचर्स आते हैं, बिल आते हैं, खर्च भी दिखाते हैं। उसे कोई देखने वाला नहीं है, कोई सुनने वाला नहीं है। यह जो गड़बड़ी चल रही है, उसमें राज्यों की बुरी हालत नहीं होगी तो क्या होगा? सच बात तो यह है कि सत्ता में बैठे हुए लोग चाहे किसी राज्य में हो या केन्द्र में हो, अगर ईमानदारी से यह सोचने लगें कि वित्तीय अनुशासन को ठीक रखना है तो ठीक रखा जा सकता है। लेकिन उस तरफ लोगों का ध्यान नहीं है।

ज्यादातर ध्यान इस बात पर है कि सत्ता कैसे बनी रहे और उसके लिए क्या करना है। आम जनता पर इसका क्या असर पड़ता है, उससे उन्हे कोई लेना-देना नही है। एक पैसे का भी ऐसा खर्च नही हो रहा है - अगर मैं राज्य का नाम लूंगा तो लोगों को ऐतराज होगा - वरना हम जानते हैं कि एक पैसे का भी खर्च आम लोगो के कल्याण के लिए नहीं हो रहा है, कोई काम नहीं हो रहा है। उत्तर प्रदेश मे तो हम लोगो के लिए चिट्ठियां आ गई हैं, प्रणब दा, कि सारा जो दो करोड़ रुपए का आप काम करते हैं उसकी सूची एक साथ भेज दीजिए। मुख्य मंत्री की चिट्ठी आई है। अब सब एमपीज के पास चिट्ठी पहुंच गई है। गांधी जी, आपके पास भी पहुंच गई होगी। बहन जी की चिट्ठी आई है कि जो आप दो करोड़ रुपए का काम कराते हैं, उसकी सूची आप पहले दे दीजिए। ...(**व्यवधान**)...

श्री गांधी आज़ाद (उत्तर प्रदेश) : उसकी निगरानी की जा रही है। ...(**व्यवधान**)...

प्रो0 रामगोपाल यादव : निगरानी नही की जा रही है। वह इसलिए किया जा रहा है कि कलैक्टरो से कहा जा रहा है कि आपके यहां इतना पैसा स्वीकृत हो गया है इसका दस परसेंट यहां भेज दीजिए। जब लोगो का यह सोचने का तौर-तरीका हो गया हो, जब एमपी लेड्स मे भी यह स्थिति होने लगी हो तो वित्तीय स्थिति मे सुधार कैसे हो सकता है? यहां माननीय वित्त मंत्री जी नही है। मानीटरिंग कीजिए, कम से कम जो दिल्ली से पैसा जा रहा है उसकी भी मॉनीटरिंग कीजिए कि पैसा लग रहा है या नहीं लग रहा है? नहीं लग रहा है, दुरुपयोग हो रहा है। उसे अलग खातो मे डाल दिया जाता है और ब्याज का भी पता नही चलता है। मैडम, हम लोगो के लिए तो आपने गाईड लाइन्स भेज दी हैं। आपकी गाईड लाइन्स है कि एमपी लेड्स का पैसा अलग जमा होना चाहिए। कितना ब्याज आता है, हमे पता नहीं है। मैंने तो प्रधानमंत्री जी से शिकायत की है कि जब हमारे का ही नही हो रहा है तो कम से कम ब्याज ही बता दो कि कितना हो गया है? कोई हिसाब नही है। यह स्थिति है। जब इतना इनडिसिपिलिन है इस क्षेत्र मे तो राज्यों की वित्तीय स्थिति कैसे सुधर सकती है? राज्यो के जो रिसोर्सेज हैं, उनसे जो पैसा आ रहा है, वह कहां जा रहा है? कोई डेवलेपमेंटल वर्क नही हो रहा है। सारा नॉन डेवलेपमेंटल एक्सपेंडीचर है इसलिए लोगो को कुछ भी राहत मिलने वाली नही है। यदि बिजली और पानी दो का ही सुधार कर दिया जाए तो जो ग्रामीण अर्थव्यवस्था है उसमे सुधार हो सकता है और राज्यो की आर्थिक स्थिति सुधर सकती है। आपने दिल्ली से बहुत बड़े पैमाने पर सोशल फोरेस्ट्री के नाम पर पैसा लिया है। सर्वाधिक धन सामाजिक वानिकी के लिए जाता है हर जगह। कही पेड़-पौधे लगे? मैंने यहां फारेस्ट मिनिस्ट्री के लोगो से कहा कि दिखाया यह जाता है कि दो रुपए का पेड़ आया और इत्ने पेड़ लगा दिए। बबूल के दाने जो एक रुपए के पांच सौ आते हैं, जंगल मे फैंक दिए जाते हैं और कह दिया कि पांच सौ पेड़ पैदा हो गए। यह स्थिति है। जो चम्बल के जंगल मे और यमुना मे हमारे रैवाइन्स हैं, उनको ठीक करने के लिए बड़े पैमाने पर पैसा लिया गया। अगर ठीक हो जाता तो न जाने उसमे कितना फल वगैरह पैदा हो सकता था। केवल बारिश से पहले दिखाया गया कि यह काम हुआ। दिल्ली से कोई मॉनिटरिंग करने वाला नही है और अस्सी परसेंट लोग कमीशन लेते हैं। बीस परसेंट के बारे मे कह दिया कि पानी बरसा और जो डैम बनाया था वह बह गया। यह हो रहा है दिल्ली के पैसे का। जब आप राज्यो को पैसा दे रहे हैं तो फिर उसकी मॉनिटरिंग करने वाला कोई क्यो नही है। गंगा एक्शन प्लान फेज-2 मे या फेज-1 मे जो पैसा दिया गया, क्या किसी ने आज तक देखा है? अरबो रुपया खर्च हो गया क्या कोई देख रहा है? आगरा मे एक ही जगह, सुप्रीम कोर्ट के डायरेक्शन के बावजूद

जो यमुना में पानी जा रहा है उसको ठीक करने के लिए कोई मशीन चल रही है? नही चल रही है। मॉनिटरिंग है ही नही, जो पैसा दे रहे हैं वह वेस्ट हो रहा है। आप कितनी ही चर्चा कर लीजिए कि वित्तीय अनुशासन नही है और वित्तीय स्थिति बहुत खराब है तो वह खराब रहेगी। इसलिए मेरा आपसे अनुरोध है कि राज्यों को नॉन प्लान एक्सपेंडीचर पर प्रतिबंध लगाने के लिए कुछ गाइड लाइन्स होनी चाहिएं और जो आप धन दे रहे हैं उसकी मानिटरिंग की कोई व्यवस्था होनी चाहिए। आप केवल यूटिलाइजेशन सर्टिफिकेट लेते रहेंगे तो उससे कोई लाभ नही होने वाला है।

आपका बहुत-बहुत धन्यवाद जो आपने मुझे समय दिया।

THE DEPUTY CHAIRMAN: Now, I have to make an announcement. We are not going to discuss this for eight hours, because there is other business also. But we will discuss this subject for six hours and the time will be allotted to the political parties accordingly. We should finish the discussion today itself. The reply can be on Friday, but we can finish the discussion today. I will announce the timing according to that. I call now the AIADMK party. All those who spoke before have exhausted their party's time. So, they are not going to get anything extra. Let nobody feel very happy. You are asking for monitoring of the money, but I am trying to monitor the time. I have to do my job in a proper way. Otherwise, one day, you will say that I am not monitoring my time. The AIADMK party had six minutes, now it will have eleven minutes.

DR. V. MAITREYAN (Tamil Nadu): Madam Deputy Chairperson, representing a regional party, especially the ruling party, I shall focus on the problems faced by us, what we have done in the last two years or so and what we expect from the Union Finance Minister.

Since the mid 1990s, the public finances of Tamil Nadu have shown extremely disturbing trends. On the one hand, the revenue expenditure, comprising commitments on salaries, pensions, interest payments, subsidies and grants has shown a phenomenal increase. And, on the other, the revenue receipts did not keep pace with the unprecedented increase in the revenue expenditure, resulting in worsening the revenue deficit. Added to this, a higher level of borrowings, primarily intended to meet the revenue deficit, has added to the problem and has also led to a worsening of the fiscal deficit.

Following the recommendations of the Eleventh Finance Commission, Tamil Nadu's share in the divisible pool of Central Taxes is reduced by an estimated amount of Rs. 2,946 crores for the period 2000-2005. Further, the Government of India reduced its promised devolution of Central taxes by a further amount of Rs. 540 crores in 2001-2002, and Rs. 274.50 crores in 2002-2003, due to poor collection of the Central taxes. This has further exacerbated the already worse financial situation.

After the AIADMK Government, led by hon. Chief Minister, Dr. J. Jayalalithaaji, assumed office in May, 2001, we had undertaken a series of major fiscal reforms, covering the revenue expenditure as well as the revenue receipts of the State. Madam, under the Chairmanship of Dr. Raja J. Chelliah, Tax Reforms and Revenue Augmentation Commission was constituted to increase the tax and non-tax revenues, and to streamline the tax administration system in the State, and its interim report has been incorporated in the Budget for this year. The last year's Budget indicated an additional resource mobilization, through changes in taxation, of nearly Rs. 690 crores and this has yielded very good results for us.

The Samadhan Scheme, for settling the stamp duty dues in disputed cases, has yielded additional revenue of Rs. 100 crores last year. Due to an intensive checking, enforcement and better collection, the Sales Tax, last year, has increased 15 per cent over the previous year. This year's Budget provides for an additional resource mobilization of nearly Rs. 480 crores. Also, on non-tax side, such as forests, irrigation, mines and minerals have all improved. With reference to revenue expenditure, as an economy measure, certain benefits to the Government Employees, such as encashment of leave, payment of bonus, etc., have been curtailed. The burden imposed by new instalments of Dearness Allowance has been handled by making the payment with a lag. The Government has constituted a Staff and Expenditure Reforms Commission, headed by Dr A.M. Swaminathan, a retired I.A.S. officer. Based on the identified surplus posts, abolition of equivalent posts is being undertaken. And, the Government has taken a committed decision that new recruitment in Government is totally banned with effect from November 2001, except a few essential categories such as police, doctors and teachers. The Government has already announced a new Contributory Pension Scheme which will be applicable to selected categories of new employees who are employed *w.e.f.* 1st April, 2003. Also, other pension entitlements have been introduced

to contain the galloping pension costs. One of the major focuses, towards which we have turned our attention during this period, is that we have undertaken a major restructuring of the food subsidy. The distribution of rice through fair price shops at Rs. 3.50 per kg. resulted in a huge subsidy bill of about Rs. 1500 crores per annum. With effect from 1st October, 2002, the issue price of rice has been modified. The first 10 kgs would cost Rs. 3.50 kg., the next 10 kgs. would cost Rs. 6.00 per Kg. We have also decided to go in for a decentralised procurement, based on an MoU with the Government of India. With these measures, the food subsidy burden will come down to Rs. 600 crores, in 2003-04. This is a major reform measure that we have undertaken, after we have come to power.

The Government has taken firm steps to restructure the public sector undertakings in Tamil Nadu. We have ordered for closure of eight public sector undertakings. A comprehensive voluntary retirement scheme has also been introduced with effect from May, 2002. We have announced a policy of exit from the manufacturing activities, undertaken by public sector undertakings and cooperative sector. A policy on disinvestment, consistent with the policy adopted by the Government of India, has been formulated and will be pushed through in 2003-04.

Another major area, where we have focused our attention, is the power sector reforms. The previous Government had constituted a State Electricity Regulatory Commission. But it was not made operational. The previous Government had also drawn funds from the Central Government in March, 2001, just prior to the Assembly elections, for which a Memorandum of Understanding was to be signed, which was not signed. After we have come to power, an agreement has been reached with the Central Government, with reference to the reforms to be undertaken in the power sector. Based on that, the State Electricity Regulatory Commission has, now, been made operational. The Tamil Nadu Electricity Board has applied for tariff revision before the Commission, as per the stipulation, on the due date, the 30th September, last year. The outstanding dues of Rs. 1,962 crores from the Tamil Nadu Electricity Board have been securitized, as a one-time settlement of dues to central utilities. This has been taken over as debt by the State Government. The State Electricity Regulatory Commission, in its tariff order of 16th March, 2003, had given various tariffs for various categories of consumers. Simultaneously, the State Government had announced a scheme of direct subsidy to small and marginal farmers and to

hut dwellers, so that they will not be affected by the impact of this new burden.

An understanding has been reached with the Government of India, on a Medium-Term Fiscal Reform Programme. As far as we are concerned, we have kept our targets. The total size of the fiscal reforms facility, available with the Central Government, based on the recommendations of the Eleventh Finance Commission for a period of five years, from 2000 to 2005 for Tamil Nadu is only Rs. 402 crores. Our hon. Chief Minister had written to the Union Finance Minister to provide additional financial assistance to the tune of Rs. 1,000 crores in the context of the liquidity crisis during the fiscal reforms in the year 2002-03. The Central Government has also permitted to raise only Rs. 500 crores as market borrowings. In addition, as a shortfall in the share of Central devolution, was Rs. 274.5 crores. This assistance is very meagre and inadequate. Hence, our Chief Minister has requested the Union Finance Minister for Rs. 1,500 crores in 2003-04, as an assistance to Tamil Nadu, in view of our strong commitment to fiscal reforms. I request the Finance Minister to consider this request generously.

The deep-seated causes for the fiscal deterioration between 1996-2001 have to be mended. For this, we have approached the Government of India to recommend our case for an economic restructuring credit to the World Bank. We thank the Union Finance Minister for forwarding our proposal for clearance in the current financial year to the World Bank. The World Bank had taken a preliminary appraisal in December 2002 and February, 2003, and a detailed appraisal in May, 2003. We anticipate that the economic restructuring support facility from the World Bank would be in the current financial year, 2003-04. We request the hon. Finance Minister for the sanction of the Economic Restructuring Credit in the form structural adjustment loan from the World Bank to Tamil Nadu during this financial year to alleviate the fiscal distress of the State.

The Life Insurance Corporation of India extends project-specific loans to the State Governments based on the annual allocation fixed by the Planning Commission. For this, every project, under various sectors, has to be posed to the LIC for sanction. This results in avoidable administrative work and also delays the process of obtaining loan. Our hon. Chief Minister has written to the hon. Finance Minister to issue instructions to the LIC to

extend Sectoral Loans to the State Government with immediate effect to enable us to effectively utilize funds allocated by the Planning Commission. I request you to kindly expedite this process also.

Our hon. Chief Minister in her discussions with the hon. Finance Minister on 11th July, 2003, when she visited Delhi, pointed out the need for review of the guidelines of the Accelerated Irrigation Benefit Programme. The Planning Commission has also agreed to revise these guidelines and the Ministry of Water Resources is in the process of getting Cabinet approval for the revised guideline. However, that proposal is still pending. The stipulation of investment of more than Rs. 500/- crores for each irrigation project to qualify under the AIBP - which is the main problem - has to be relaxed. We have already sent three comprehensive proposals to the tune of Rs. 960/- crores to the Ministry of Water Resources. But those projects are pending because of the existing guidelines. I request the hon. Finance Minister to intervene and to see that the revised guidelines under the AIBP are approved.

Mr. Finance Minister, you will appreciate the huge, complex and difficult effort that the AIADMK Government, led by our hon. Chief Minister, has undertaken to restore the fiscal health of Tamil Nadu and bring it back on a development path. I appeal to you, Sir, that this massive effort on our part has to be recognized and has to be fully supported. Thank you.

THE DEPUTY CHAIRMAN: There is no difference between the time allocated for the DMK and the AIADMK Members. ...*(Interruptions)*...

AN HON. MEMBER: Madam, there should be some difference.

THE DEPUTY CHAIRMAN: But he spoke very well. Dr. Maitreyan spoke within the stipulated time. It was a very structured speech. It was a very well-structured speech. ....*(Interruptions)*... Mr. Virumbi will also do the same.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Madam, Deputy Chairperson, the States finance situation as well as the implications of that situation have been dealt with, elaborately, by my learned colleagues several times in this august House. Madam, this is not the problem pertaining to one particular State alone. It is a Pan-Indian issue affecting the whole of

4.00 P.M.

India from Kashmir to Kanyakumari. Madam, as of now, according to the Budget of the last fiscal year of all the States, the total loan they owe to others, including the Central Government, is more than Rs. 6,75,000/- crores. Actually, this amount has increased only during a particular period throughout India. During the first year of the Ninth Plan, it was more than Rs. 2,81,000 crores. During the last year of the Ninth Plan, it had increased to nearly Rs. 5,90,000 crores. So, within a decade, the loan amount had gone up by 3.8 times. This is the situation in all the States. The guarantees given by the State Governments, comes to over Rs. 1,70,000 crores. This will ensure that the infrastructural facilities are availed of by the States....*(Interruptions)*...The Finance Commission has indicated that if there is a ceiling of 20 per cent or beyond, problems may crop up. The Reserve Bank of India has also instructed the commercial banks to attach the 20 per cent risk weight to the State-Government securities. Practically, it will have its own reflection on the Central Government itself. But if the State Government gives guarantee - whichever Government - it is a sovereign debt. If the RBI thinks - that 20 per cent risk weight means, it is a very serious concern to be dealt with, not by the State Governments but by the Central Government, I suppose.

Madam, according to the Confederation of the Indian Industry, the current year's fiscal deficit will be about 12 per cent, including the Centre and the States. They expect the development of industrial area at the rate of 6.5 per cent; development of services at the rate of 7.5 per cent; agriculture at the rate of 5.5 per cent, if the monsoon is proper. If the fiscal deficit reaches the 12 per cent, then we can say that it is a little bit alarming situation. To counter that situation, the Central Government has also proposed to take some measures. I think, it is under consideration of the Central Government to bring forward a Bill, that is, the Lenders' Liability Bill, and get it passed. The consequences of this may be that no officials in any Government will take any responsibility. If we put on hold this Lenders' Liability Bill, then the poor people who are working very hard from dawn till the dusk, they may not get even the amount that they require for the basic needs of agricultural development. The enhancement of the insurance deposit from Rs.1 lakh to Rs.2 lakh has been announced. The new idea which has now spread in India is to create a redemption fund in the States. It is in the budding stage, but it may grow up again. Now that a

Committee, headed by Mr. B.K. Bhattacharya of the Finance Department has been set up to go into the pension liabilities because the Central Government's pension liability is only Rs.15,000 crores. While the State Governments' pension liabilities, put together, comes to more than Rs.30,000 crores. This is the situation. There are some more liabilities for the State Governments to perform. Because all the State Governments are nearer to the people. For their basic needs, they approach the State Government first. The position is very different.

[THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) in the Chair]

Now, what is the real situation? Actually, it is a very serious situation. We have to come out from that. It means, even for the basic needs, housing, water supply, etc., we need a lot of money. The Ninth Plan period is over. To have adequate water supply in the urban areas of our country, we may require more than Rs.54,000 crores. We have planned to increase power generation by more than 40,000 megawatts. I would like to inform the Government of India that our neighbouring country has also ventured into the private sector, but in a different manner. Here, in India, we depend upon the people who come to India to invest in power generation. But it is not so there. They are fixing the maximum price per unit. Our neighbouring country is fixing the maximum unit price. They are saying that this is the price at which they have to sell to the customers. After having fixed the maximum consumer price, they call for tenders. The people who accept to sell at the maximum consumer price are only asked to quote the tenders. They are told about the amount they should charge from the public. If they agree to it, only then they are entitled to offer their tenders. This is the best situation. Otherwise, these industrialists will inflate the cost and, later on, they will say that this is the cost of production, and we will charge this much from the public. In this way, they will fleece the public. This was totally stopped by a neighbouring country. I do not want to identify the country by name here. It is not proper. This was the situation.

The other area is health, which is left with the State Governments. Here, you take the case of essential drugs. Even the Supreme Court has given some advice in order to see that some essential drugs are put under the proper control of the Central Government. When it is so, there are some special areas also. Sir, what we usually think of the non-plan expenditure is this. The interest payment is a non-Plan expenditure, the

subsidy is a non-Plan expenditure. According to the Finance Commission, if a project is envisaged and planned in one Five Year Plan and it is spilled over to the next Five Year Plan, whatever expenditure is incurred for completing that particular portion of that particular project - which had actually commenced in the previous Five Year Plan - comes within the purview of the non-Plan expenditure. Therefore, the mention of 'non-Plan expenditure' is not at all indicating mere non-Plan expenditure like interest and mere subsidies. But it includes other areas also. Therefore, the confusion also prevails. When it is so, we have to reach some targets. Reaching targets means, development and inflation. If you take the Fifth Five Year Plan, the Sixth Five Year Plan, the Seventh Five Year Plan, the Eighth Five Year Plan, inflation was there. When inflation is there, we feel that development will be affected. But in those Plans, we had not only achieved the targets, but also surpassed the targets. At the same time, when we talk about the deficit finance, we feel that it is related to the fiscal deficit. I agree that fiscal deficit should be within some limit. There should be some cap in that. But the inflation itself is not stopping the development. If we see the figures from Fifth Plan to Eighth Plan, this fact becomes clear. But when we put some cap on the fiscal deficit in the Ninth Plan, the target was 6.5 per cent, but the growth rate has come down to 5.3 per cent. It is a new phenomenon. Then, I talk about the percentage of GDP. When we analyse the targets from Fifth Plan to Ninth Plan for education, health, and agriculture, industry, infrastructure, etc., and with regard to other social economic services, we will find that agriculture and industry have been severely affected. Sir, unless greater emphasis is given on the agriculture sector, it is very difficult for us to restructure and reform our economy. Our entire economy is based on agriculture. Now, you have put the general credit line. You have earmarked only Rs. 6500 crores for the NABARD, as has already been mentioned. Out of it, 40 per cent fixed for the priority sector, and 18 per cent of that 40 per cent ought to go to the agriculture sector. But as per the guidelines, the amount ought to have been paid to the priority sector or to the agriculture sector or to the total priority sector, if any commercial bank has failed to achieve the lending target, the difference between the amount ought to have been paid and the amount actually lended has to be deposited with the NABARD. Now, what are the commercial banks doing? Instead of giving loans to the agriculture sector, they say, "We are unable to achieve the target fixed by the Government. We are prepared to pay the difference to the NABARD", and they are paying it. By paying it as a deposit to the NABARD, they feel that

the principle amount is safe. The amount ought to have reached the agriculturists. But it has not reached the agriculturists; it is going to the NABARD. Now, for general banks, the limit fixed is Rs. 6500. For cooperative banks, they have told that the State Government should not give any guarantee. When it is so, the NABARD would not come back further. Why I am saying so? Sir, in the Fifth Plan, the agriculturists took, as a percentage of the GDP, 2.3 per cent. Now, in the Ninth Plan, it has come down to 1.8 per cent. Further breaks have already been put. How are the agriculturists going to get this amount? Therefore, agriculturists are definitely going to be affected, if similar policies are pursued. If agriculture is affected, then the entire economy will be affected. It would be very difficult for them to repay the amount that they take as loan. Already there is a correspondence between the State Government and the banks. For repayment of interest arrears, they want some more moratorium, for which the banks are saying that that is not possible for them. Therefore, there is a friction between the State Governments and the Reserve Bank of India. This is the situation, actually. *(Time-bell)* Sir, I will take only one or two minutes. For example, some unexpected happenings can take place. A natural calamity is always unexpected. It is happening in my State, for example. A new problem has arisen in Ooty; we have the menace of red-spiders attacking tea plantations. The tea exporters are suffering. We are a SAARC country; when somebody exports tea to India, we cannot stop it. There is a percentage. But we cannot stop it. Anyway, the export of tea from the South has been very badly affected. Therefore, it has to be taken into consideration by the Central Government, if we want to boost the exports at the State level. The capacity of 65000 tonnes has to be increased to 2,00,000 tonnes. This means that it cannot be done merely by the private sector. The Central Government has to come forward for help. Then only, it can do it. Sir, in the Tenth Plan, the growth rate envisaged for agriculture in Tamil Nadu is 3.54 per cent; for industry, it is 7.3 per cent; for services, 9.7 per cent. In the Ninth Plan, we had put the economy of the State of Tamil Nadu back on the rails. It has not derailed. As mentioned earlier, the Deputy Chairman of the Planning Commission had stated that the mobilisation of resources in the Ninth Five Year Plan period in Tamil Nadu was proper. In the Ninth Plan, Tamil Nadu had achieved a growth rate of 6.2 per cent, which was more than the all-India average. The percentage of people living Below the Poverty Line had increased to 14 per cent during the Ninth Five Year Plan period. Therefore, mobilisation of resources was proper; development was proper. Actually, the way in which

the resources were distributed among the public was judicious and proper. Therefore, during the Ninth Plan, development in Tamil Nadu had been proper. We do not have to put it back on the rails; it is already on the rails. The only thing is that this development process has to continue. For that, if we do something, it will be better. I will tell you what we should do. Now, for example, our sugar mills are incurring losses. Whichever State Government it is, the State Government has to concentrate on this problem. They have to concentrate on the production of ethanol. Molasses are banned. Ethanol-blended petrol can be sold to oil companies. By producing ethanol out of molasses and selling it to the oil companies, whether it is run by private companies or by the Government or the cooperative sector, it will be economically viable. There will be no question of closure. In the case of textiles, the Central Government has to come forward. They have put 5 per cent excise duty. We had requested them to reduce it to 2 per cent. Later on this, 5 per cent excise duty was enhanced to 8 per cent. On the whole, the effective excise duty came to around 9.2 per cent. When we requested the Central Government to reduce the excise duty from five per cent to two per cent, you have enhanced it to 9.2 per cent. In the Salem Steel Plant, an amount of Rs.1,100 crores was invested by the Government. The Salem Steel Plant has paid, by way of sales-tax, customs duty and other levies, to the State Government and the Central Government, put together, a sum of Rs.2,400 crores. I am asking the Government: If you privatise it, do you think that such type of taxes will be paid to the State Government or the Central Government properly? The investment was Rs.1,100 crores. It paid, by way of several taxes, Rs.2,400 crores. What is happening? They want to privatise it. We are agitating against it. The people, cutting across party lines, are agitating against it. I say that the people of Tamil Nadu will not accept it and agree to privatisation of the Salem Steel Plant. Such type of things are there. The Central Government has to look into all these things very carefully and see what we have achieved in the Ninth Plan. Whatever the Government headed by Dr. Kalaignar had done in Tamil Nadu was proper. The same should continue in Tamil Nadu. With these words, I conclude. Thank you.

SHRI N. JOTHI (Tamil Nadu) : It is over. Where is the question of continuing it, when your party isn't ruling? ....*(Interruptions)*...

SHRI S. VIDUTHALAI VIRUMBI: I didn't say that. The economic programmes should be continued. ....*(Interruptions)*... Many employees have been dismissed....*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): It is over now. I don't think that we are discussing only one State. Shri Lalu Prasad. ....*(Interruptions)*... It is all right. You don't have to react. ....*(Interruptions)*...

SHRI S. VIDUTHALAI VIRUMBI: Nearly 40,000 employees have been dismissed.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): It is all right. Please let him speak.

श्री लालू प्रसाद (बिहार) : उपसभाध्यक्ष महोदय, एक अत्यन्त गंभीर मसले पर संसद् मे हम लोग चर्चा कर रहे हैं और इसमें माननीय प्रणब बाबू ने हाउस के नेता से आग्रह किया कि इसमे सीमा नही रखी जाए अपने दर्द को, हर राज्य के दर्द को रखने का पर्याप्त माननीय सदस्यो को मौका मिलना चाहिए। अब फाइनांस मिनिस्टर के जवाब के लिए संभवत: फ्राईडे को तय हुआ है कि उस दिन यह जवाब देंगे। इसलिए हम आपसे आग्रह करना चाहते हैं कि जब हम लोग बोलें और राज्यों के दर्द को यहां रखें, सिर्फ अपने राज्य के ही दर्द को नहीं तो बीच मे घंटी बजा देने से महोदय, ध्यान बंट जाता है और अपनी बातो को सही ढंग से हम लोग रख नही पाते हैं। मुझे राज्य का मुख्य मंत्री बनने का सौभाग्य प्राप्त हुआ एनडीसी की बैठक मे और एंटायर ईस्टर्न स्टेट्स जो हैं, पूर्वांचल के जो राज्य हैं, आजादी के बाद इनके साथ आज तक जो व्यवहार हुआ, भेदभाव हुआ, एनडीसी की बैठक हो या मुख्य मंत्रियों का सम्मलेन हो, हर अवसर पर बिहार के साथ जो सौतेला व्यवहार हुआ, इसकी चर्चा जोरदार ढंग से और मजबूती के साथ हम लोग उठाते रहे हैं। निराशा तब होती है कि न जाने इसके पहले कितनी बार फाइनांस मिनिस्टर के स्तर पर, प्रधानमंत्री और एनडीसी की बैठक में मुख्य मंत्रियों की चर्चा हुई, लेकिन महोदय, नतीजा ज्यों का त्यो है। मुझे हैरत है, मुझे परेशानी होती है और आश्चर्य होता है कि इस देश में चंद चुने-चुनाये जो अर्थशास्त्री हैं, प्लॉनर्ज हैं, सरकार बनती है, बिगड़ती है, लेकिन ये जो चंद अर्थशास्त्री हैं, जो देश के लिए सोचते हैं, चिंतन करते हैं, रिसर्च करते हैं और ऊंची-ऊंची अंग्रेजी मे, विभिन्न पत्र-पत्रिकाओं में और इलैक्ट्रॉनिक मीडिया में डिबेट पर जब बैठते हैं, तो इनकी बुद्धि पर हमको हैरत होती है। विगत दिनो में "इंडिया टुडे" ने, "आज तक" ने सारे राज्य के मुख्य मंत्रियों को बुलाया था कि कौन राज्य अव्वल दर्जे में है और कौन फिसड्डी राज्य है। हम जिस बिहार राज्य से आते हैं, चाहे आजादी की लड़ाई हो, देश के हर हिस्से मे उसका जो भी योगदान है, यह भुलाया नही जा सकता। महोदय, मेरा दर्द सिर्फ बिहार के लिए ही नही है, बल्कि पूरे राज्यों के मुख्य मंत्रियों को भी, चाहे एनडीए में भी जो लोग हैं, जो दल हैं, सभी मुख्य मंत्रियों को हमने रोना-रोते देखा है। रोना रोते देखा। राज्यों की वित्तीय हालत जर्जर है। हमारे देश मे कुछ हमारे राज्य, खासकर के जहां मेट्रोपोलिटन सिटी हैं, वहां पर आजादी के पहले और आजादी के बाद ध्यान गया है। आजादी के पहले ब्रिटिशर्स आए थे, उसके पहले और बाहर के लोग आए थे और जहां पर समुद्र हैं, जहां पर बंदरगाह हैं वहीं पर उन्होंने प्रवेश किया था, चाहे वह मुम्बई हो या चैन्नई हो या कोलकाता हो। इन राज्यों को इस तरह सुशोभित किया गया। मैं इन भाईयों के खिलाफ आवाज नहीं लगा रहा हूँ, लेकिन योजना आयोग को देखें और पर कैपिटा इन्कम का इन्वेस्टमेंट देखें तो सेंटर सेक्टर से खासकर के बिहार के मामले में,

उड़ीसा के मामले में, पूर्वांचल के राज्यों के मामले में न जाने किस साजिश के तहत भेदभाव हुआ है। आज भी इस देश में अगर क्षेत्रीयता बढ़ी है, कहीं एक्सट्रीमिज्म बढ़ा है तो उसके कारण में यह वित्तीय स्थिति आती है। वहां गरीबी है, गारद है, भूख है। डेनसिटी आफ पापुलेशन तो इन राज्यों की बहुत ठीक है। खासकर हमारे राज्य में हमने एलान किया था कि गाडगिल फार्मूले को हम प्रणाम करते हैं, नमन करते हैं।

महोदय, जो राज्य आगे बढ़ गए हैं, जो हमारे भाई आगे बढ़ गए हैं, चाहे वे जिन किन्हीं कारणों से आगे बढ़े हों, हम उनका विरोध नहीं करते, लेकिन देश के एक चिंतक विचारक हैं, जो बिहार जैसे राज्य को कहते हैं और अन्य ऐसे राज्यों को कहते हैं कि ये फिसड्डी राज्य हैं और उस सम्मेलन में गोवा को सारा प्राइज दिया गया। गोवा का मैं विरोध नहीं करता हूँ। गोवा की आप पापुलेशन देखिए, उनके पर्यटन या जो भी वहां का कारोबार है उसको देखिए, ठीक है वहां तरक्की है। गोवा को कितना सारा प्राइज मिल गया और हमारे जैसे राज्यों को कहा कि फिसड्डी राज्य हैं। कोई भी मुख्य मंत्री, कोई भी पार्टी नहीं चाहती कि उसका राज्य पीछे जाए। हर आदमी का कमिटमेंट है, लेकिन किसके पास जाएं, कहां जाएं। राजनीति करने वाले लोग सत्ता में आने वाले लोग एड़ी लगा लगा कर वायदा करते हैं चुनाव के दिनों में कि हम रामराज्य लाएंगे, समता-मूलक समाज बनाएंगे, लेकिन आप देखेंगे कि किस तरह से कहा गया है कि बिहार जैसे राज्य को।

महोदय, इन लोगों की बुद्धि पर तरस आता है। ये जिम्मेदार लोग हैं, जिन्होंने एक प्लान किया, जिनकी सोच थी, समझ थी। प्लानिंग कमीशन में कई एक बार सर्वेक्षण हुआ बिहार का और उसमें बिहार के मामले में, उड़ीसा के मामले में, पूर्वांचल राज्यों के मामले में साफ तस्वीर रखी गई। जो पंचवर्षीय योजना चली, सबसे अलार्मिंग बात, मैं नहीं बोलता, योजना आयोग की वर्ष 2003-2007 की जो रपट है, उसके वोल्यूम-वन का अगर आप अवलोकन करेंगे तो स्थिति बहुत विस्फोटक बताई गई है। यह आप देखेंगे, अंतर बढ़ रहा है, जो देश की एकता के लिए एक बड़ा भारी खतरा है। यह जो प्लानिंग कमीशन का वर्ष 2003-2007 का आने वाला है, उसमें साफ साफ लिखा है। जब विभिन्न राज्यों का समान रूप से बड़ा भारी योगदान रहा है वित्त को, संसाधन को जुटाने में तो अब हम लोग किन के पास जाकर कहें। हम लोग भाषण कर लेंगे। अखबार में छपेगा कि बोला। कैसा बोला? उधर बोला, इधर बोला। क्या बोला? ठीक बोला। बोलने में हम लोग लगे हुए हैं। महोदय, जब बाहर निकलेंगे, नाश्ता करेंगे, चाय पिएंगे, घर चले जाएंगे। लेकिन फालो-अप ऐक्शन नहीं होता। यह संसद हमारे देश की सबसे बड़ी पंचायत है। महोदय, जो डिस्पेरिटी है, अगर इसको पाटा नहीं गया, भाई-भाई को अगर बराबर नहीं लाया गया, जो हमारा पिछड़ा भाई है उसको अगर छलांग नहीं लगाने दी गई, उसको उन्नत राज्यों के समकक्ष लाने का काम नहीं किया गया तो हमारे देश की एकता टूटेगी, एक्सट्रीमिज्म बढ़ेगा, बेइमानी बढ़ेगी और किडनेपिंग बढ़ेगी, चारों तरफ गरीबी, गारद और भूख होगी। हर आदमी चाहता है कि हम तरक्की करें, लेकिन राज्यों की स्थिति क्या है? दिल्ली की सरकार, केन्द्र की सरकार को नोट छापने का अधिकार है, राज्यों को नहीं है। राज्यों की स्थिति, महोदय, तब और बिगड़ गई जब पांचवे वेतन आयोग की सिफारिशें लागू की गईं और पे रिवीजन हुआ। वोट लेने के लिए, तब ख्याल नहीं किया गया, किसी भी राज्य से कंसल्ट नहीं किया गया और न जाने कितना पैसा बढ़ा दिया गया। अगर एमएलए को हम 500 रुपए की पेंशन देते हैं, एमपी को

अगर हम कोई सुविधा देते हैं तो सारे लोग हाय-तौबा मचाते हैं कि इन लोगों ने अपने लिए कानून बना लिए हैं। महोदय, जो आईएएस या आईपीएस कर्मी है, जो तंत्र है, इस तंत्र पर जो भी आ रहा है, इनके ऊपर खर्चा हो रहा है। यही नहीं, पांचवे वेतन आयोग को जब लागू किया गया तो इससे सारे राज्यो की स्थिति चरमरा गई, कमर टूट गई। इसलिए अगर भारत सरकार नहीं सोचेगी, योजना आयोग नही सोचेगा, वित्तीय प्रबंधन नही किया जाएगा, घाटे को नही पाटा जाएगा तो हमारे देश की एकता-अखंडता पर प्रश्नचिन्ह लगेगा। इन तमाम मुद्दों से ध्यान डाइवर्ट करने के लिए मंदिर-मस्जिद के सवाल को उठाया जा रहा है। जो मुल्क का नक्शा है, उसमे जो चिंतन होना चाहिए, विचार होना चाहिए, जिस पर चर्चा होनी चाहिए, वह यह होनी चाहिए और यह सोचा जाना चाहिए कि भारत कैसे आगे बढ़ेगा, कैसे समता मूलक-समाज बनेगा, लेकिन इस पर चिंतन नहीं हो रहा है, सोच नही हो रही है।

महोदय, सभी राज्यो को आज एक बड़ी राशि सूद के रूप में देनी पड़ती है। हर राज्य से यहां माननीय सांसद लोग आए हैं। हमको जो आप कर्जा देते हैं, इस पर हमको सूद लौटाना पड़ता है। बिहार जैसे राज्य को, 2400 करोड़ या आप कितना ही ऋण दे सकते हैं और 2400 करोड़ हमको दिया। 2400 करोड़ अगर हमको ऋण लेने का अधिकार है डेवलपमेंट के लिए तो उसका सूद हुआ 300 करोड़ रुपए। जबकि बाजार मे, अगर हम मार्किट बारोइंग करते हैं तो 6 से 7 प्रतिशत सूद की दर है। लेकिन भारत सरकार राज्यो के साथ खिलवाड़ कर रही है। ये साहूकारी कर रहे हैं। महोदय, राज्यो को जो ऋण मिलता है, उस पर 10.5 प्रतिशत ये सूद ले रहे हैं, ऐश-ओ-आराम करने के लिए, दिल्ली मे खर्चा करने के लिए। महोदय, इस पर रोक लगाने की जरूरत है। सूद की दर को, जो राज्यों पर, राज्यो की छाती पर इंटरेस्ट रेट है, इसको कम करना पड़ेगा। जो राज्य इनकी नीतियो की वजह से पीछे छूटा है, उसको समकक्ष लाना पड़ेगा, छलांग लगवाना पड़ेगा। महोदय, 2400 करोड़ रुपए के बारे में मैंने आपको कहा, इतना ही नही ये 70 प्रतिशत ऋण और 25-30 प्रतिशत अनुदान देते हैं। अब इस ऋण और अनुदान के चलते कोई राज्य कैसे बढ़ेगा, कैसे तरक्की करेगा? हम मांग करते हैं और आपको सोचना पड़ेगा कि जो राज्य आपकी नीतियो की वजह से कमजोर हैं, जिन राज्यो को आपने खंडित किया है - झारखंड आपने बनाया बिहार से अलग करके, उत्तराखंड आपने बनाया पहाड़ो को अलग करके, छत्तीसगढ़ आपने बनाया, जो राज्य पीछे हैं, उनके लिए अलग से सोचना पड़ेगा, विचार करना पड़ेगा उनको देश की मेन-स्ट्रीम मे लाने के लिए और सूद की दर मे कमी किए जाने की आवश्यकता है, इसमे कमी की जानी चाहिए। सूद की दर में कमी करनी चाहिए। केन्द्र से दिए जाने वाले ऋण के मामले मे big cost loan के बदले low cost loan की योजना पर विचार हो रहा है। बिहार जैसे राज्य को इसमे 500 करोड़ रुपए की हलकी राहत की उम्मीद है।

दूसरी बात मैं यह कहना चाहता हूं कि सुप्रीम कोर्ट ने सेठी कमीशन बनाया। जो जुडिशियरी है, जो न्यायपालिका है, न्यायपालिका के नीचे काम करने वाले जो लोग हैं, सेठी कमीशन ने अनुशंसा की कि उनके लिए शत-प्रतिशत पैसा राज्य सरकारों को देना पड़ेगा। जो राज्य नही देगा, वह contempt of court का भागीदार होगा। हमे बिहार मे इसको लागू करना पड़ा। सेठी कमीशन की रिकमंडेशंस को लागू करने से बिहार राज्य को कम से कम 2,200 करोड़ रुपए खर्च करने पड़े। अब सुप्रीम कोर्ट ने एक रूलिंग दे दी, माननीय सांसदो को

मालूम होगा कि उन्होने मिड-डे मील यानी दिन का भोजन बच्चो को देने का आदेश दिया। बिहार मे इस पर करीब 300 करोड़ रुपए के खर्च का अनुमान है। उन्होंने सब राज्यों को आदेश दे दिया कि बच्चो को खाना बनाकर खिलाइए। भारत सरकार ने वायदा किया था, फाइनेंस मिनिस्टर ने वायदा किया था कि लोअर जुडिशियरी का जो खर्चा है, केन्द्र सरकार उसका खर्चा वहन करेगी, सेठी कमीशन की उस सिफारिश को आप लागू करिए लेकिन केन्द्र सरकार भाग गई, हाथ खीच लिया, केन्द्र सरकार हट गई। राज्यो के सारे मुख्यमंत्रियों की फाइनेंस मिनिस्टर ने एक बैठक बुलाई थी कि कैसे इस कानून को बदला जाए, मत लागू करो। जबानी भाषण करते हैं ये लोग लेकिन ये हट गए और कहा कि केन्द्र, सेठी कमीशन की सिफारिशो को लागू करने के मामले में एक भी पैसा नही देगा। राज्यो को तो लागू करना ही पड़ेगा।

महोदय, पेशन है, वेतन है, इन मदों पर हमारा बहुत खर्च होता है। आपको मालूम है कि पहले बीमारियां होती थी तो उस समय ट्रीटमेंट नही था, उतनी दवाइयां नही थी, आयुर्वेद से और देहाती दवा से लोगो का इलाज होता था लेकिन आज इंसान रिटायर कर जाता है, longevity बढ़ गई है, आदमी जल्दी मरता नही है। जब तक वह नही मरेगा, तब तक वह पेशन लेगा। अगर इस देश मे सुधार करना है तो इस पेशन को खत्म करिए, हमारी पेशन भी बंद कर दीजिए, सबकी पेंशन खत्म करिए। यह फैसला लीजिए नही तो इस longevity के चलते न जाने कितने दिनो तक आपको पेशन देनी पड़ेगी। ज्यो-ज्यो केन्द्रीय सरकार पर इस पेशन का बोझ बढ़ेगा, त्यो-त्यो राज्य सरकार पेशन बढ़ाएगी और बीमारी में इलाज कराने का प्रबंध करेगी तो उसकी हालत खराब होती जाएगी। हम यह सच बात बोलते हैं तो जितने रिटायर्ड लोग हैं, ये खिसिया जाते हैं, गुस्सा हो जाते हैं कि लालू यादव जैसा खतरनाक आदमी कहां से आ गया जो हमारे लिए ऐसे बोल रहा है।

महोदय, इनकम टैक्स, सेल्स टैक्स, सेंट्रल एक्साइज़, कस्टम, जो राज्यो से आता है, आप उसे वसूल करिए। आपने विगत वर्ष मे यह कहा था कि हमारा लक्ष्य है कि हमारी इतनी प्राप्तियां होंगी। राज्यो को कमिट किया भारत सरकार ने और आपने वसूली नही की जिससे सभी राज्यो की योजनाएं चरमरा गईं। महोदय, मैं मांग करना चाहता हूं और प्रणब बाबू ने भी ठीक कहा कि इस पर गहन विचार होना चाहिए। आपको साफ-साफ कह देना चाहिए कि आपका जो वायदा था, प्रधानमंत्री जी का जो वायदा था, लाल किले से जो वायदा उन्होने किया था, उसे पूरा करने मे हम सक्षम नही हैं। अगर आपकी वित्तीय स्थिति नाजुक है तो देश की जनता को बताना चाहिए, सिर्फ वोट-कैचिंग बात नही होनी चाहिए।

महोदय, जो राज्य कर्ज़े के बोझ से लदे हुए हैं, आपको उनके बारे मे विचार करना पड़ेगा। माननीय फाइनेंस मिनिस्टर साहब, जिस तरह से आपने पंजाब का ऋण माफ किया, जो राज्य स्पेशल कैटेगरी मे आता है और सारी शर्तों को पूरा करता है जैसे बिहार, और भी राज्य जो गरीब राज्य हैं जैसे उड़ीसा, आंध्र, जिस तरह से आपने पंजाब का ऋण माफ किया, उसी तरह से आप इनका कर्ज भी माफ करिए। अगर माफ नही करेंगे तो राज्यों की गर्दन नही उठ सकती है। बिहार राज्य से यहां 12 मंत्री आते हैं। ये लोग ऐड़ी अलगा-अलगा कर बोलते हैं, हमने यह दिया, हमने वह दिया, विकास नही हो रहा है? सारे बिहार के जो एनडीए मे मंत्री बैठे हैं, वे सही स्वरूप को नही बताते है और आलोचना करते हैं। इसलिए महोदय, ऋण को माफ़

करिए, नया संकल्प लीजिए और इनकम टैक्स मे जो डकैती है, इनकम टैक्स मे जो चोरी है, इनकम टैक्स में जो बेइमानी है, इसके hideout का पता लगाइए। आपको बहुत बड़ी राशि उपलब्ध हो जाएगी।

[श्री सभापति पीठासीन हुए।]

श्री सुरेश पचौरी (मध्य प्रदेश) : आपने narcotics को क्यो छोड़ दिया। ...**(व्यवधान)**...

श्री लालू प्रसाद : Narcotics इसमें कहां आता है?

श्री सभापति : ये आपको रास्ते से डिगाना चाहते हैं।

श्री लालू प्रसाद : Narcotics इनका डिपार्टमेंट नही है, आडवाणी जी का है। हमने पता कर लिया है। आप ही बोल देते। कहां से कहां घुमा कर हम घुसा दे। ...**(व्यवधान)**... पहले आपके अंडर मे था लेकिन यहां से भी निकाल दिया गया।

महोदय, सम्प्रति केन्द्र एवं सुप्रीम कोर्ट के अनुसार स्कूलो मे दोपहर का भोजन हम लोगो को देना है। खिचड़ी खिलाइए, सब्जी खिलाइए। क्या आपने इस बारे मे पता किया है? राज्य कहां से खिलाएंगे? कहां से पैसा आएगा? आपकी क्या भागीदारी है? आप इसमे क्या कॉन्ट्रीब्यूट करते हैं? हमारे बिहार से अहलुवालिया साहब आते हैं जो आपकी सरकार के ऐडवोकेट जनरल हैं। ...**(व्यवधान)**... राष्ट्रीय आय मे सर्विस टैक्स की भूमिका के संबंध मे राज्यो की चर्चा है। आप जो 8 प्रतिशत सर्विस टैक्स लगा रहे हैं, यह राज्यों को दीजिए। यह राज्यो के ऊपर छोड़ दीजिए। कस्टम, इनकम टैक्स और ऐक्साइज़ ड्यूटी से जो आप रिसीट ले रहे हैं, उसका कुछ प्रतिशत लेकर बाकी पैसा राज्यो के जिम्मे दे दीजिए। इससे हमारी स्थिति सुधरेगी, राज्यो की स्थिति सुधरेगी।

महोदय, फाइनेंस मिनिस्टर साहब ने देश मे समान रूप से वैट प्रणाली लागू करने का वायदा किया था। न जाने किनके प्रभाव से, किनके दबाव से वैट प्रणाली लागू नही हुई। सारे मुख्य मंत्रियो की बैठक आपने अक्तूबर मे करायी थी और उसमे मजबूती से चर्चा हुई थी कि देश मे वैट प्रणाली को लागू करेगे। अगर यह लागू हो जाती है तो राज्यो को इसके दूरगामी लाभ होगे और हम सर उठा सकेगे। हम गरीबी, गारत और भूख मिटा सकते हैं। जो पूरे राज्यो की रिसीट है, आप देखेगे कि वेतन, तलब-तनख्वाह - इन सारी चीजो मे सारा पैसा चला जाता है। माननीय चेयरमैन साहब को हम धन्यवाद देते हैं कि आपने एक बात का चिंतन किया। आपने यह सोचा, विचार किया कि देश मे असैंबली और पार्लियामेंट का चुनाव पहले एक साथ होता था लेकिन इस देश मे बारहो मास चुनाव हो रहा है। इसमे देश का पैसा खर्च हो रहा है।

श्री सभापति : इस प्रशंसा से आपको ज्यादा टाइम नही मिलेगा।

श्री लालू प्रसाद : हम इस बात पर सहमत हैं, हम इस बात पर राजी हैं। बिहार मे दो साल बाकी हैं। चन्द्रबाबू नायडु साहब के यहां अगले साल चुनाव होने हैं। आप जल्दी से इसको लागू करिए।

श्री सभापति : ये जो पास मे बैठे हैं, इनको राजी करिए।

श्री लालू प्रसाद : ये कोलकाता में हैं। ...**(व्यवधान)**... महोदय, जब एक साथ चुनाव कराने का कानून लाया जाएगा तो यह सही बात है कि इससे देश का पैसा बचेगा, झगड़ा-झंझट घटेगा, मार-पीट कम होगी, कागजो पर खर्चा कम होगा। लेकिन एक प्रावधान जरूर करना पड़ेगा कि जिन राज्यों के दो साल या एक साल बाकी हैं, उन राज्यों को जो मैनडेट मिला हुआ है, अगर दूसरा मैनडेट दूसरी पार्टी को मिल गया तो वह पहले पुराने दो साल कॉन्टीन्यू करेगा और तब तीसरे साल वहां जाएगा। यह इंतजाम करना पड़ेगा क्योंकि हम काहे सफर करें। यह बात लागू होनी चाहिए।

श्री सभापति : अब आप जल्दी करिए। ...**(व्यवधान)**...

श्री लालू प्रसाद : महोदय, भारत के कुछ राज्यों मे गरीबी के समकक्ष मैंने वैट प्रणाली के विषय मे कहा। इस पर बोलने की काफी छूट है। इस पर यह व्यवस्था हो चुकी है। आपकी ही प्रेजेंस में हुई है। ...**(व्यवधान)**...

श्री सभापति : मुझे जानकारी है, जो छूट हुई है।

श्री लालू प्रसाद : नजमा जी थीं। यह व्यवस्था हो गई है कि माननीय मंत्री जी फ्राईडे को जवाब देंगे...

श्री सभापति : लेकिन आज साढ़े छः बजे खत्म करना है।

श्री लालू प्रसाद : महोदय, ठीक है। जल्दी-जल्दी खत्म कर देते हैं। ...**(व्यवधान)**... मेहनत करके नोट बनाएं हैं ...**(व्यवधान)**... इसलिए ऋण की माफी चाहे राजस्थान में हो, हमारे यहां हो, राज्यों का ऋण माफ कर दें। नए सिरे से उसमें इन बातों का ध्यान रखें। कर्मचारी, सम्पत्ति, सुप्रीम कोर्ट के बारे मे तो बोल दिया है। बार-बार दोहराने से कुछ नहीं होगा। ...**(व्यवधान)**... सर्विस टैक्स पर बोल दिया है तब कुछ बाकी ही नहीं रह गया है। ...**(व्यवधान)**...

श्री सभापति : बाकी नही है तो बैठ जाइए। ...**(व्यवधान)**...

श्री लालू प्रसाद : दूसरी बात है, महोदय, आपने वायदा किया था। हम विरोध कर रहे थे कि बिहार को मत बांटो, भाइयों को मत बांटो। लेकिन आप लोग इतने आमादा थे कि नही बंटवारे से विकास होगा। आपने कहा था कि बिहार को हरियाणा बना देंगे और सिंगापुर बना देंगे और स्पैशल पैकेज देंगे। हर साल नेपाल से अन्तर्राष्ट्रीय नदियां आकर हमारे तमाम इन्फ्रास्ट्रक्चर को ध्वस्त करती हैं। आपने कोई पैकेज नहीं दिया। जो हिल स्टेट हैं, छोटे-छोटे राज्य हैं, इस कैटेगोरी मे हम भी आते हैं, वहां पर इंडस्ट्री खोलने के लिए आपने दस साल के लिए टैक्स की माफी की है। आपने डेफरमेंट किया है, आपको बिहार मे भी करना चाहिए ताकि वहां पर उद्योग धन्धे आएं। मैं दूसरी अपनी तकलीफ को यहां रखना चाहता हूं। आई0डी0बी0आई0 है जो हमारा

क्रेडिट डिपॉजिट रेश्यो है, जो हम बिहारी लोग जमा करते हैं दुनिया में मेहनत करके, जो हमारी रिसीट है, यह सारा पैसा दूसरी जगह जा रहा है। स्टेट बैंक में क्रेडिट होकर बाहर के राज्यों में जा रहा है और विकास किया जाता है और बिहार का मज़ाक उड़ाया जाता है कि फिसड्डी राज्य है। यहां क्राइम हो रहे हैं। ऐसा लगता है कि अन्य राज्यों में क्राइम नहीं होते हैं। महोदय, आई0डी0बी0आई0 का जो रवैया है और जितने भी हमारे बैंक हैं, उनका रवैया बहुत खराब है। चाहे प्रधानमंत्री रोजगार योजना हो, ग्रामीण विकास के काम हो, नौजवानों को काम देने का सवाल हो, ये हमारा पैसा बिहार में नही खर्च करते हैं। बिहार की इमेज को खराब करते हैं। बिहार से जितने भी ग्यारह मंत्री आए हैं, जो इलेवन प्लेयर फुटबाल के आए हैं, इन लोगों ने ही बिहार की इमेज खराब की है। इसलिए इनका भी चुनाव में हिसाब लिया जाएगा और पूछा जाएगा। इसलिए हम अपनी बात को यहीं समाप्त करते हैं और माननीय वित्त मंत्री जी से अनुरोध करते हैं। मैं मानता हूं कि आप इस देश के और इस सरकार की लक्ष्मी हैं। जब से आप आए हैं, जब से आप पधारे हैं तब से हम लोग देख रहे हैं कि कोई क्राइसेस की बात नहीं हो रही है। ...**(व्यवधान)**...

श्री सभापति : वर्षा अच्छी हो रही है।

श्री लालू प्रसाद : आप रिलेवेन्ट बात करते हैं इसलिए आप इस पर सोचिए, इतिहास बनाइए। इतिहास में हमेशा आपका नाम आएगा। जहां चोरी और बेईमानी है, जहां टैक्स ईवेजन है ...**(व्यवधान)**...

श्री सभापति : लालू जी, आपको मालूम है। ...**(व्यवधान)**...

श्री लालू प्रसाद : उसको मजबूती के साथ आप देखिए और बिहार के साथ भेदभाव नही होना चाहिए। स्पेशल कैटेगरी, स्पेशल ट्रीटमेंट, सिर्फ बिहार के साथ ही नहीं बल्कि वे जितने हमारे समकक्ष भाई छूटे हैं उनकी छलांग लगवाइए। उनको उठाइए और बराबर लाइए ताकि हमारा देश मजबूत हो।

श्री सभापति : अब आप बैठ जाइए। ...**(व्यवधान)**...

श्री लालू प्रसाद : समतामूलक समाज हो। मंदिर-मस्जिद तोड़ने का काम बन्द कराइए। इस काम को आप करेंगे तो इतिहास आपका साथ देगा। आप अच्छे आदमी हैं, सज्जन आदमी हैं लेकिन आप गलत गिरोह में फंस गए हैं। इससे निकलिए और देश को बचाने का काम में लगिए। आपको बहुत-बहुत धन्यवाद।

श्री सभापति : लालू जी, आपने इनको लक्ष्मी बताया। इस लक्ष्मी के आने के बाद बरसात हुई है।

SHRI PRANAB MUKHERJEE: Thank you, Mr. Chairman, Sir, for giving me this opportunity to participate in the discussion raised by my

distinguished colleague, the Leader of the Opposition, Dr. Manmohan Singh. Sir, to speak of the state of States finances, I would just like to quote two documents. One is the 43rd Report of the Standing Committee on Finance. I would just quote a few lines from page 14, para 30, which will speak about the state of affairs so far as the States finances are concerned. "The nmittee finds that most of the State Governments are borrowing more and more to finance Non-Plan revenue expenditure rather than capital expenditure and gradually they are falling into a debt-trap which may further lead to a worsening of the fiscal situation in the coming years." But the last sentence is really serious and which deserves to be considered. It is a reflection of the collective thinking of the Members of the Standing Committee. I quote, "If the trend is not reversed, it is clear that some States may be forced to declare a financial emergency." Sir, there is another document, the Draft Approach Paper to the Tenth Five Year Plan. On page 18, while describing the condition of the State Finances, it is stated, "In many states, we have engineers, but no fund for construction or maintenance! We have doctors, but no medicine! We have teachers, but no school buildings! We have a large army of Class- III and Class-IV employees with no productive work! We have very little capital expenditure and asset creation, very little funds for maintenance or repair of assets." Perhaps, it does not require an elaboration if somebody takes into account the observations made by the Parliamentary Standing Committee, and the observations made by the Planning Commission in the Draft Approach Paper to the Tenth Five Year Plan. Since morning, we have been having a very enlightened discussion, and Mr. Chairman, Sir, when we sought your permission, I had the idea of raising this discussion in a very short span of time, because, I think, about 6-7 months back, we had the privilege of having a discussion on this very subject, and I had the privilege of raising a discussion under the same rule. But I wanted to have a focused discussion, particularly, at a time when the Members of Twelfth Finance Commission are visiting the States, are having interaction with the representatives of the States, and I consider that a structured, informed debate on the floor of the House may provide the necessary inputs which may help the Finance Commission to arrive at an appropriate, corrective decision. While talking of certain very basic issues in respect of the State Finances, if we analyse them, I find five basic reasons why the States are suffering. One, of course, is the growing fiscal and revenue deficit. The second is the increase in interest burden. The third is an increase in pension payment. The fourth is the loss of PSUs, and the fifth one is the

State Governments guarantees. Dr. Manmohan Singh, while initiating the discussion very correctly pointed out that the States cannot be held responsible for all the maladies and weaknesses of the State finances. I would like to take the House a little back, when the Central Government used to have a huge negative B.C.R. (balance from the current revenue.) The States, in aggregate, had a positive B.C.R. I would just like to give two small figures. Up to 1985-86, the States had a positive, plus figures of B.C.R., Rs. 3,118 crores; and up to 1992-93, the States, in aggregate, had the positive B.C.R., but the deterioration started from the early 1990s, and it went up to almost Rs. 32,000 crores. Why did it happen? Are the States alone responsible for it? Is the stagnant tax GDP ratio, at the level of around 5.4 per cent, throughout the 80s and 90s, the sole reason for the States negative B.C.R.? During this corresponding period, you will notice, as Lalooji also mentioned, the aggregate debt-burden of the States in 1986-87 was to the tune of Rs. 53,660 crores. It went to the staggering figure of Rs. 4,18,583 crores in 2000-01. Why did it happen? The other day, while participating in the debate, I had requested my good friend, Shri Jaswant Singh, that, perhaps, he would have to discharge his responsibilities not merely as a Union Finance Minister, but as a Federal Finance Minister; because the situation of the economy has come to a stage where the management of the economy as a whole, you will have to play the role of a Federal Finance Minister, rather than that of Union Finance Minister. One of the major reasons is that from 1996-97, till 2002-03, in these seven consecutive years, not in a single year - I repeat, not in a single year - the Union Government has not been able to mop up the budgeted resources, budgeted taxes, which he projected at the BE stage. And, the shortfall varied from Rs.7000 crores of rupees to 21,000 crores of rupees. What can the States do, if the Union Government fails to realise their own resources, for which they are making a commitment to Parliament, not in one year or two years, but in successive years? During 1996-97, the gap was a little less. It was about Rs. 200 crores. I have all the figures with me. But I would not like to bother the hon. Members by reading out statistics. Surely, they are tired of the statistics. But the hardcold fact is that the shortfall in revenue had gone up from Rs. 7,000 crores to Rs. 21,000 crores. Therefore, the States did not get their full share.

The second point, which has been very correctly pointed out in their anxiety, and not only in the anxiety, but also under compulsion, as Mr. Nilotpal Basu has very correctly pointed out, is that merely 2/3rd of the

developmental expenditure are to be borne by the State, but the resource availability and, especially the elasticity of the tax revenue, more or less, remaining the same, the manoeuvrability of the State Government is extremely limited. Therefore, they have to borrow. They have to borrow heavily to fund the developmental requirements. And, not only for developmental requirements, they have to also borrow heavily to meet their normal consumption expenditures. For example, if you look at the funding pattern of the Plan, Mr. Chairman, you will find that during the Sixth Plan, the States contributed a share of 28 per cent to the total Plan Expenditure; in the Ninth Plan, it was minus 52 per cent. In other words, half of the entire borrowing went to meet the normal consumption expenditure. Dr. Manmohan Singh very correctly pointed out that a substantial part of these borrowings came from the high-cost borrowing sectors and small savings; as a result, the interest burden on the States went as high as to the extent of almost 50 per cent of this total revenue. I just had the Memorandum submitted to the Twelfth Finance Commission by the Government of West Bengal. While dealing with the debt position, which I find, after making a detailed analysis, the Memoradum came to the conclusion that if the interest payment is within 25 per cent of the revenue receipts, the States can sustain their financial stability. But what would be the position with the present rate of taxes, with the present rate of devolution, assuming the elasticity of the taxes being 13 per cent, both in respect of the Centre taxes and, in the State taxes, before the devolution, as per Table-III in the Memorandum, I find that even in 2009 and 2010, the State of West Bengal would not be in a position to reduce the interest liability as percentage of their revenue below 52.8 per cent, that means, 53 per cent of the total revenue will go to meet the interest liability alone. Therefore, the question comes and boils down to what we should do? How could this debt burden be taken into account? Why are we raising these issues now? It is because when the Finance Commission is examining it; having an Interaction with the State Governments, and, thereafter when they will have an interaction with the Union Finance Ministry, if at that point of time, in the recommendations of the Twelfth Finance Commission we could find a way out, it can help. Now, it is not possible for me to indicate what would be the right prescription for reducing the debt burden of these States. But Dr. Manmohan Singh was pointing out in the morning that when we conceptualised our developmental strategy in the '50s and '60s, and when it was assumed that in the developmental expenditure, the revenue component would be 70 per cent, the capital component would be 30 per

cent, it was linked with 70 per cent loan and 30 per cent grant. But, subsequently, we tried from the Sixth Plan onwards -- Sixth Plan, Seventh Plan, Eighth Plan, Ninth Plan and Tenth Plan-- Tenth Plan has just begun, one year is over; the second year is going on,-- whether it was possible, if not the entire loan component, at least 70 per cent of the loan component of the Central Plan assistance, to provide a substantial debt relief to the States. And, you can lay donw some condition for the States. This is suggestion number one for the consideration of the Finance Minister, and also for the consideration of the Finance Commission, through the Finance Minister. The second point, to my mind, is that the Finance Ministry should consider seriously as to what is their cost of disbursement; at what rate, they are borrowing from different sources, and at what rate they are disbursing to the States. I have not calculated the figure, but, surely, there has been a sea change from that time when I used to sit in that chair 21 years ago. What is the cost of disbursement? And, if, in assessing the cost of disbursement there is any scope of manoeuvrability, please do that. That will also give them a relief. That means, the interest rates which you are charging for the outstanding loans from the States by improving your efficiency in loan disbursement. The third area which I would like to suggest is that there should be an in-built mechanism, and there you can provide some incentive to the States. If there is an overall depression, if there is a substantial reduction in the GDP growth and if there is an untoward situation, which is completely affecting the national economy -- forget about that. But if the targeted growth rate is, more or less, at the same level - it may not be eight per cent, but if it is six-and-a-half or seven per cent - and if your tax deduction is less, whatever the reasons may be, surely we cannot find consolation, or, justification for the less realisation of taxes because of earthquake there, cyclone here, Kargil War in some other place. Every year, it cannot take place. Surely, there is some serious lacuna somewhere when consecutively for seven years, the Central tax realisation is much less - I am not talking what should be appropriate tax-GDP ratio - and, there, I do not agree with the Planning Commission, that in this situation, both the States and the Centre taken together, the tax GDP ratio must be 16 to 18 per cent, if we want to come out of the impasse which has been created. Raising it from 9 per cent to 11 per cent of GDP is no answer to that. But I am not going to that aspect. Whenever you are making your commitment, through the Budget, that this would be your estimated revenue realisation for the year under review, if there be a serious shortfall, the States should be compensated, provided the States maintain

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their own commitments which they are providing to their Legislature through their Budget proposals. Whether some sort of arrangement could be made to reward the States which are doing good work should be thought of. The third point to which I would like to draw the attention of the hon. Finance Minister, and about which I spoke earlier also, but I did not get any satisfactory reply is this. Taking a cue from Dr. Manmohan Singh's observation when he said that certain States require special attention, and our system provides that, the whole concept of special category States where the Central developmental assistance is more grant, 90 per cent grant and 10 per cent loan. We recognise the fact that certain States are weak; they require special support. But take the case of the North-Eastern States. How are we treating them? What is the difference between our commitment and our actual performance? In 1997, the then Prime Minister decided that every Central Ministry and Department will be obliged to spend ten per cent of their gross Budget in seven North-Eastern States. Sikkim was not included then. In 1998, the Prime Minister, Shri Atal Bihari Vajpayee, not only reiterated that but he went one step forward and indicated that if the Central Ministries and the Central Government Departments are not in a position to spend, because of certain reasons -- whatever be the reasons -- in that case, a fund will be created, namely, the Non-Lapsable Central Resource Pool and the unspent amount should go to that Non-Lapsable Central Resource Pool. This Scheme was to be operated from 1998. The total amount which was due to them for a period of four years (1998-99, 1999-2000, 2000-2001 and 2001-2002) was Rs.5806.7 crores. That was the amount due to them because of the non-spending of the 10 per cent of the GBS (Gross Budgetary Support). The Finance Ministry raised certain objections and the new Department, which has been created, sorted them out. On the 1st of April 2002, it was agreed that the due amount to this fund is Rs.2853 crores. But in 2002-2003 and 2003-04, you have given only Rs.550 crores each year. That due amount is Rs.2825 crores, and you have given Rs.1100 crores. How would these tiny States manage? What can they do? From where will they get the resources? What I am trying to point out is that if you do not have the resources, then do not make a commitment; and, if we have the resources, especially in respect of these States, let us not just use it for playing to the gallery, or, lay some trap for the time being, if we cannot fulfil that commitment. Otherwise, I do not find any reason why, when it has been agreed that

Rs.2853 crores were due to them, we have given only Rs.1100 crores. The fourth point to which I would like to draw the attention of the hon. Finance Minister is in regard to the Eleventh Finance Commission's recommendations; and that has earlier been referred to by Dr. Manmohan Singh. But I am looking at it from a different angle. And it has its relevance so far as the recommendations of the Eleventh Finance Commission is concerned. What has happened over the years? If you analyse the State Budget for the last 20 years, and more so, from 1987 onwards, 16 years (the Seventh Plan, the Eighth Plan and the Ninth Plan), you will find that in the Plan expenditure and the non-Plan expenditure, the demarcation has been blursed. And it is mainly because of the anxieties on the part of certain State Governments to show a larger Plan size and what they did exactly that. What should not have been included as Plan expenditure, as the new investment, they have done it. I am not going into the merit or demerit of it, but I am talking of a practical problem which has arisen by the subsequent recommendations of the Finance Commission. We are considering which should have been blocked in the non-Plan expenditure category has been put in the box of the plan expenditure category, and when the Finance Commission is looking into the real revenue gap of the non-Plan expenditure size, the Finance Commission is totally misconstruing because of the figures which the State Governments are providing as the Plan expenditure and the amount which they are entitled to have as non-Plan resource gap; they are not getting it. And this is not an imaginary fear. In Chapter 2 of the third volume of the 'State Plan - Trends, Concerns and Strategies' - I am not going to quote the entire paragraph, but only a few lines - it is mentioned, "A close observation from the States' Budget during the past decades reveals a blurring of Plan and non-Plan distinction of the Government." And what has been the consequences? Unfortunately, the misrepresentation of the non-Plan schemes as Plan schemes underestimated the genuine requirements for non-Plan. The Central Finance Commission which assessed the genuine non-Plan requirements of the States and accordingly awarded the necessary share of the Central taxes and grants, ended up in awarding a lower amount. Therefore, after coming out of the Yojana Commission, the State Chief Ministers may have some satisfaction for the time being of telling the media persons, who are assembling there, what is the size of their Annual Plan, but ultimately at the end of the day they get less money because the Finance Commission does not assess, as per the report of the Planning Commission itself, what is the real non-Plan requirement of the States

concerned. If on a larger context what Dr. Manmohan Singh has suggested is taken into consideration, there is nothing wrong. But so far this distinction continues, we must ensure that this type of misrepresentation does not take place and we can arrive at the actual picture while making our presentation before the Finance Commission.

One more aspect to which I would like to draw the attention of the House and especially of the hon. Finance Minister is this. Dr. Manmohan Singh and many other Members have pointed out that gradually the share of the Plan is coming down. In the Fifth Plan, we had the States' share of 52 per cent of the total Plan Expenditure. We are nowhere how. Even of the States' own expenditure, the Plan and capital expenditure, as a percentage of the total revenue expenditure has shrunk substantially. Therefore, the Plans are to be protected. And how can the Plan be protected? While having a discussion on planning, I suggested that, but there was no satisfactory response from the Government. You cannot have 20 things as your priority. I am afraid, Mr. Finance Minister, it would be difficult for you to achieve the financial target. Mr. Chairman, Sir, I will take just two minutes more and then I will conclude. In the Tenth Plan, the total outlay which we had was Rs.15,92,300 crores from the figures of the first two years, including the Gross Budgetary Support which is more than Rs. 2,39,000 crores. We are nowhere near that. And instead of having a core plan within Plan, why cannot we have a realistic Plan and prioritise according to the resource availability and according to what you can provide them? And thereafter, this type of distortions which are taking place, perhaps could be avoided. The last point which I would like to suggest, and as Mr. Lalu Prasad and many other Members have also suggested is that it is true that the special category States will have to be treated specially and the special formula and dispensations which are there, ought to be applied. But, within the States, there are pockets of developments; there are pockets of backwardness, and for that, some accommodation should be made in the Finance Commission's recommendations. I do agree that the Central Finances are not unlimited. But, at the same time, it is equally true that if there is a drag on the States' side, you cannot move forward. The most primary concerns which have to be addressed right now are, how you can reduce the debt burden of the State, to what extent you can give them relief in the interest payment which they have to pay and how you have to tackle the special problems which the States are confronting. Mr. Nilotpal Basu raised an issue. This is, unfortunately, the legacy of Partition. The

State from which I come had to face the influx of refugees from 1947 up to 1970, even before the liberation war of Bangladesh. I am talking of the legal thing. Even if you take the cut-off date as 25th March, 1971, the influx of refugees from Bangladesh took place prior to that and that problem remains unresolved. Somebody may say, "You sat on the other side for pretty long, for five years, why couldn't you do it?" Yes, we could not do it. I admit it. But that doesn't mean it should not be done. Please ensure some accommodation.

The second problem, which is very serious and affecting our security - I feel the Finance Ministry in consultation with the Planning Commission should take urgent note of it because it is imminent during this rainy season and it will affect during this period- our only link with the North-Eastern Region, where Siliguri is the main base camp, which is connected with NH-34, is being affected. The NH-34 has reached a stage where the distance between the two rivers, Padma and Bhagirathi, which is just one-and-a-half kilometres, is likely to be converging. If it is washed out, the two rivers will meet and the entire area will go to Bangladesh and a situation will arise where Farakka will be redundant and the entire road connection from Bengal to Siliguri, the base camp, from our security point of view, would be cut off. Therefore, this is a matter which requires urgent attention. With these words, I thank you, Mr. Chairman, for having given me this opportunity.

श्री एस0 एस0 अहलुवालिया (झारखंड) : सभापति महोदय, राज्यों की वित्तीय स्थिति पर हम लोग चर्चा कर रहे हैं। सुबह चर्चा शुरु करते वक्त नेता प्रतिपक्ष ने राज्यो की वित्तीय स्थिति की जो यह दुर्दशा है, उसके लिए दो चीजो को मूलत: जिम्मेदार ठहराया है। एक जो फिफ्थ पे रिवीज़न हुआ उसके कारण, और दूसरा जो सैन्ट्रल असिस्टैंट मिलता है उसमे कटौती के कारण या कमी आने के कारण। इसके साथ-साथ अभी मेरे पूर्व वक्ता प्रणब बाबू ने भी इन्ही चीजो पर ध्यान आकर्षित करते हुए कहा कि लॉस ऑफ़ रेवेन्यू, सेलरीज़, पेंशंज़ और लॉसेज इन पीएसयूज़, मूल कारण हैं।

[उपसभाध्यक्ष (श्री सुरेश पचौरी) पीठासीन हुए]

महोदय, मॉर्क्सवादी कम्युनिस्ट पार्टी के नेता नीलोत्पल बसु ने भी बहुत सारे मुद्दे उठाए, लालू प्रसाद जी ने भी उठाए, और वाकई यह आज राज्य वित्तीय अवस्था ऐसी कगार पर आ गई है कि इस वक्त राष्ट्र को इस पर ध्यान देने की जरूरत है। मैं कोई अर्थ नीति का ज्ञाता या उसका शास्त्री नही हूं, मैं मैक्रो और माइक्रो इकोनोमिक्स की बात नही करना चाहता। मैं जीडीपी की बात नही करना चाहता। मैं तो सिर्फ यही बात करना चाहता हूँ, जो प्रणब बाबू ने

प्लानिंग कमीशन के बैकग्राउंड पेपर से उद्धृत की थी और कहा था कि हास्पीटल हैं तो डाक्टर नही हैं। वैसे ही पानी है तो केनाल नहीं है और केनाल है तो उसकी मेंटीनेन्स नही है। वैसे ही स्कूल हैं, छात्र हैं, स्कूल की बिल्डिंग हैं, लेकिन टीचर नही हैं और टीचर हैं तो स्कूल की बिल्डिंग नही हैं, छात्र नही हैं और पढ़ने के लिए किताबं भी नहीं हैं। हमारा इस अवस्था मे पहुंचने का कारण क्या था? मैं भारतवर्ष को एक परिवार के रूप मे लेता हूँ और मैं समझता हूँ कि सारा परिवार अगर कुछ आय करके अपनी भारतमाता की झोली मे कुछ डालता है और जहां बंटता है, समान रूप से बंटता है तो वह परिवार सुखी और समृद्ध हो सकता है। हमारे यहां जो परंपरा शुरू से चली आई है, मैं उस परिवार को अगर ऐसे लूं कि जहां लोग पैसा कमाने की चिंता न करे और जहां राष्ट्रीय आय न हो या राज्य की आय मे बढ़ौतरी न हो, एक्सपेंडीचर दिन-पर-दिन बढ़ जाए तो जो मूलभूत जरूरतें हैं वे कहां से पूरी होगी?

महोदय, विभिन्न शुल्को के माध्यम से रेवेन्यू अर्जन होता है। हम शुल्क लगा नही सकते क्योंकि शुल्क लगाने के लिए हार्ड डिसीजन, कठोर कदम लेने की आवश्यकता पड़ती है। कठोर कदम उठाने से पहले आपको सोचना पड़ता है कि अगर मैं इस बजट मे कठोर कदम लाने जा रहा हूँ या उठाने जा रहा हूँ तो अगले वर्ष जी चुनाव हैं उस चुनाव मे हमारा क्या होगा? लालू प्रसाद यादव जी जब अपनी बात कह रहे थे तो लोग हंस रहे थे, लेकिन मैंने उसको गंभीरता से लिया क्योकि यह यह कह रहे थे कि हर वर्ष, बारह महीने यह चुनाव चलते हैं, आज म्युनिस्पेलिटी का चुनाव है, कल पंचायत का चुनाव है, परसो विधानसभा का चुनाव है, चौथे रोज लोकसभा का चुनाव है और जब कोई भी सरकार बनती है, चाहे पंचायत मे बैठी हो, चाहे म्युनिसपल कारपोरेशन मे बैठी हो, चाहे किसी कारपोरेशन का मेयर बनकर बैठा हो, चाहे किसी विधानसभा का अध्यक्ष बनकर बैठा हो, चाहे मुख्यमंत्री बनकर बैठा हो या राष्ट्र को नेतृत्व देते हुए प्रधानमंत्री का पद संभाले हो, हर व्यक्ति, हर दल को हर वक्त यह चिंता रहती है कि चुनाव मे जाने के पहले अगर हमने टैक्स बढ़ाया तो हमारा यह एंटी पीपुल प्रोग्राम हो जाएगा और इसलिए पापुलिस्ट प्रोग्राम को लाने के लिए हम लोग तरह तरह के हथकंडे अपनाते हैं, कभी सबसिडी के नाम पर, कभी और सस्ती चीजो के नाम पर और कभी किसी तरह की रियायते देने के नाम पर।

महोदय, प्रणब बाबू 43वी रिपोर्ट को उद्धृत कर रहे थे। उसी मे प्लानिंग कमीशन ने जहां हाई लेवल फिसिकल डेफिसिट बोथ एट सेंट्रल और स्टेट लेवल पर जो काम करने हैं उसके लिए रिकमंडेशन दी थी रेवेन्यू साइड के लिए भी और एक्सपेंडीचर साइड के लिए भी, वही पर यह भी कहा था कि यह जो नेशनल लेवल पर और स्टेट लेवल पर सबसिडी हैं इनको बंद करिए, खर्चो को कम करिए। लेकिन, खर्चो को कम करने की बात हम नही करते। इस वक्त यह जो दो रास्ते हैं, जिनके माध्यम से राज्य अपना घर चलाते हैं, यदि उनकी आय न हो तब भी वे अपने खर्चे चलाते हैं और वे रास्ते हैं, जिनका आरबीआई ने प्रावधान किया है - वेज एंड मीन्स एडवान्स का और दूसरा ओवरड्राफ्ट का। वेज एंड मीन्स एडवान्स के हिसाब से, अगर मैं गलत बोलूं तो सुधार दीजिएगा, कि शायद दस दिन का प्रावधान रहता है और ओवरड्राफ्ट का 21 दिन का प्रावधान रहता है। कई राज्य, महोदय, 365 दिनो मे से जो 108 दिन छुट्टी के हैं वे माइनस कर दे तो आपके करीब 257 दिन रहते हैं, चूंकि सेकेड सटरडे छुट्टी होती है इसलिए उसको माइनस करे तो 260 दिन वर्किंग डे के रहते हैं और उन 260 दिन के वर्किंग डे मे

250 दिन वे अपनी सरकारो के खर्चे, अपने राज्यो के खर्चे डब्लूएमए के माध्यम से या ओवरड्राफ्ट के माध्यम से चलाते हैं।

महोदय, अगर 260 दिनो मे से 250 दिनों का खर्चा राज्यो का यही से चले तो क्या स्थिति बनेगी? मैं उदाहरणस्वरूप मध्यप्रदेश का उदाहरण देता हूँ। मध्य प्रदेश मे एक वर्किंग डे के लिए 48 करोड़ का खर्च आता है। इस 48 करोड़ मे से 20 करोड़ वे डब्लूएमए से उठाते हैं। अगर 20 करोड़ वे डब्लूएमए से उठाते हैं तो महीने मे 600 करोड़ रुपया वे इससे उठाते हैं। यह 12 महीने इसी पर चल रहा है। महोदय, इन चीजो को मद्देनज़र रखते हुए पिछले दिनो आरबीआई ने एक कमेटी बनाई और उसमें पूरा डब्लूएमए पर विचार हुआ। जैसे बैंको मे कई जगह बैंक मे स्कैम हुआ, उसमे देखा गया कि कॉल मनी मार्किट का एक रोल है। जब पिछला स्कैम हुआ तब भी और जब दूसरा स्कैम हुआ तब भी देखा गया कि कॉल मनी मार्किट का अपना एक रोल है और उस पर एक अंकुश लगाया गया। अब इन 10 दिनो का और 21 दिन के इस प्रावधान का दुरुपयोग करते-करते हम आज ऐसी कगार पर पहुंच गए हैं कि एक-एक राज्य का कर्जा बहुत बढ़ गया है। मुझे पटना शहर की एक बात याद आती है कि एक कोआपरेटिव सोसाइटी मे कर्जा लिया गया जिसमे पटना स्टेशन का प्लेटफार्म नं0-1 बंधक रख दिया गया और उस पैसे को रिकवर करने के लिए पटना स्टेशन के प्लेटफार्म नं0-1 की ऑक्शन होने के लिए आ गया। राज्य अपनी गारंटी भी देते हैं, तो मेरे को कभी-कभी लगता है कि हमारे जो राज्य हैं उनकी ऐसेट्स से ज्यादा उनकी लाइब्लिटीज खड़ी हो गई हैं। आज मध्य प्रदेश 250 दिन, अर्थात 12 मास, बाराहमासी उधार पर चला रहा है अपनी सरकार को। ऐसे कितने ही नाम हैं राज्यो के। मध्य प्रदेश एक बहुत बड़ा

[उपसभापति महोदया पीठासीन हुईं]

राज्य है, उसी तरह महाराष्ट्र है, ये सारे उधारो पर चल रहे हैं। अगर ये राज्य उधार पर चलते रहे और गारंटियो पर गारंटियां देते रहे तो हम किस कगार पर पहुंचेगे? प्रणब बाबू ने कहा कि हमे कुछ राज्यो मे, जैसी रिकमेंडेशन स्टेडिंग कमेटी ने की है, फाइनेंशियल इमरजेंसी लगाने की जरूरत है। उसकी शुरुआत हुई कब से? हम हर बार फाइनैंस कमीशन की रिपोर्ट पढ़ते हैं, हम हर बार अपने प्लांस को पढ़ते हैं। हर पांच साल के बाद एक रिपोर्ट आ जाती है और प्लानिंग कमीशन की रिपोर्ट को हम देखते हैं, उसमे जो प्रॉपर इंट्रोस्पेक्शन करने की जरूरत है कि आखिर पिछले प्लान मे क्या खामियां थी, जो पूरी नही की जा सकी और जिन्हे आने वाले दिनो मे कैसे पूरा किया जाएगा, उसके बारे मे कोई इंट्रोस्पेक्शन नही होती क्योंकि हर फाइनैंस कमीशन का चेयरमैन कभी भी अपने पहले वाले चेयरमैन की निंदा नही करता। चेयरमैन बदल जाते हैं, सैक्रेटरीज आफ दि कमीशन बदल जाते हैं लेकिन स्टाफ वही होता है, कोई निंदा नही करना चाहता। आज सही मायने मे जरूरत है पूरे राष्ट्र और सदन को यह इंट्रोस्पेक्शन करने की कि हमारा यह जो प्रावधान है यह सही है या गलत है, हम किस रास्ते पर चल गए हैं? एक दूसरे पर हम दोषारोपण करे कि आपकी नीति के कारण यह खराब है या हमारी नीति के कारण यह खराब है, यह सही नही है। आज जिन चीजो पर जोर देने की जरूरत है उनमे है सबसे पहले पापुलेशन कंट्रोल। जनसंख्या की वृद्धि हो रही है और जनसंख्या की वृद्धि के कारण बेकारी बढ़ रही है। ये बेकार कहां जाते हैं? जब हाथ बेकार होते हैं तो ये उपयोग मे आ जाते

हैं आतंकवादियों के। इसी जनसंख्या वृद्धि के कारण जिस सड़क पर कभी 100 आदमी चलते थे, आज 1,000 आदमी चलते हैं। उसी सेनिटेशन सिस्टम का 1,000 आदमी उपयोग कर रहे हैं। पानी सप्लाई की जो क्षमता थी, वह दिन-प्रतिदिन घटती जा रही है। कभी सुबह से शाम तक पानी उपलब्ध रहता था किन्तु आज सुबह से शाम तक खड़े होकर पानी के आने का इंतजार करना पड़ता है। तो इन्फ्रास्ट्रक्चर पर भी लोड बढ़ता जा रहा है किन्तु उस इन्फ्रास्ट्रक्चर की क्षमता को बढ़ाने के लिए हमारे पास न वित्त उपलब्ध है, न उस इन्फ्रास्ट्रक्चर को मेंटेन करने के लिए हमारे पास वित्त उपलब्ध है, इसके बारे में सोचने की जरूरत है। इस पर ज्यादा गौर फरमाने की जरूरत थी। चाहे वह पापुलेशन हो, चाहे दूसरे विषय हों, उनके लिए रास्ते ढूंढने की जरूरत है और मैं समझता हूं कि जैसा मैं अपना वक्तव्य शुरू करते वक्त बता रहा था कि राष्ट्रीय आय इस पर निर्भर करती है कि हम उसे कहां से लाएंगे? उसके लिए सुधार करने की जरूरत है। हमने लालू यादव की बात को हंसकर टाल दिया। लालू यादव ने कहा कि पंचायत से लेकर पार्लियामेंट तक के चुनाव एक-साथ होने चाहिए। उसके पीछे एक तथ्य है। ये चुनाव एक-साथ इसलिए होने चाहिए ताकि कम से कम जो सत्ता में आएगा उसको यह चिंता तो नहीं रहेगी कि कल को चुनाव है, इसलिए कठोर कदम न उठाए जाएं, टैक्स न लगाया जाए। इसके बारे में थोड़ा सोचने और विचार करने की जरूरत है। उसके साथ-साथ हम अपना रेवेन्यू कैसे बढ़ा सकते हैं या जो वित्त हमारे पास उपलब्ध है, उससे ये काम कैसे कर सकते हैं, इस पर भी विचार करने की जरूरत है। डॉक्टर साहब ने कहा कि पांचवां पे-कमीशन लागू होने से यह सब हुआ है। पांचवें पे-कमीशन की बहुत सारी रिकमंडेशंस थीं किंतु देवेगौड़ा जी ने या गुजराल साहब ने इसको लागू करते वक्त सिर्फ पैसे देने की जो रिकमंडेशन है, उन्हीं को लागू किया। उसके साथ दूसरी जो रिकमंडेशंस थी कि टोटल मैनेजमेंट कैसे होगा, मैनपावर में कितनी कटौती करनी होगी, कैसे और रिस्ट्रिक्शन लगानी होगी, उनको लागू नहीं किया गया। उनको लागू न करने के बाद आज कौन सा आदमी है या कौन सा शासन है जो उसको लागू कर सकता है? इसे लागू करने के लिए सब लोगों को मिलकर एक फैसला लेना पड़ेगा कि कहां से कटौती करके यह जो वित्त उपलब्ध है राष्ट्र की टोकरी में, उसको कहां पर उत्पादन-मूलक कामों में लगाया जाए, डेवलपमेंट में लगाया जाए, जो जनहित में काम आ सके। इसके ऊपर विचार करने की जरूरत है।

महोदया, मैं समझता हूं कि बहुत से अच्छे सुझाव आएंगे। उन सुझावों को सामने रखकर वित्त मंत्री जी का जवाब भी आएगा लेकिन उसके साथ-साथ हमें कुछ वित्तीय अनुशासन राष्ट्र में लागू करने की जरूरत है और उस तरफ ध्यान देने की जरूरत है। यह कहकर मैं अपना वक्तव्य समाप्त करता हूं। धन्यवाद।

श्री गांधी आज़ाद : महोदया, जिस तरह से स्वस्थ शरीर के लिए शरीर का हर अंग स्वस्थ होना आवश्यक है, उसी तरह से विकासशील या विकसित देश के लिए प्रत्येक राज्य का भी विकासशील या विकसित होना आवश्यक है। हमारा देश विकसित तो नहीं किंतु विकास की ओर जरूर गतिमान है। अतएव मैं सरकार से निवेदन करना चाहता हूं कि भेदभाव रहित होकर प्रदेशों को देश के शरीर का अंग मानकर, उसे स्वस्थ रखने के लिए, विकसित करने के लिए सरकार को भरपूर प्रयास करना चाहिए। वैसे हमारे माननीय वित्त मंत्री जी बजट की जो प्राथमिकताएं लेकर आए थे, उनमें गरीबी उन्मूलन, स्वास्थ्य, आवास, शिक्षा और रोजगार को शामिल करके जनता के जीवन से जुड़ी समस्याओं के निदान का प्रयास उन्होंने जरूर किया है।

महोदया, केन्द्र द्वारा राज्यों को जो आर्थिक भागीदारी दी जाती है, यह इस प्रकार है - राज्य और संघ राज्य क्षेत्र की सरकारों को आयोजना सहायता के लिए 10 प्रतिशत की व्यवस्था है, राज्य और संघ राज्य क्षेत्र की सरकारों को आयोजना-भिन्न सहायता के लिए 4 प्रतिशत की व्यवस्था है और करों और शुल्कों मे राज्यों का हिस्सा 13 प्रतिशत है। इस प्रकार कुल प्राप्तियों में से राज्यों का हिस्सा 27 प्रतिशत राज्य एवं संघ राज्य क्षेत्रों को अंतरण किया जाता है। मेरी राय में राज्यो की आर्थिक दशा को ध्यान मे रखते हुए यह जो अंश दिया जाता है यह कम है, इसे बढ़ाने की आवश्यकता है।

महोदया, वैसे तो माननीय मंत्री जी ग्रामीण विकास हेतु सम्पूर्ण ग्रामीण रोजगार योजना, स्वर्ण जयंती ग्राम स्वरोजगार योजना, प्रधान मंत्री ग्राम सड़क योजना, ग्रामीण आवास योजना, पेयजल की व्यवस्था हेतु स्वजल धारा के अंतर्गत 90 कदम हम चले 10 कदम आप चले, विकास की ओर अग्रसर होने का सरकार का प्रयास जरूर है। लेकिन राजस्व अनुमान और राजकोषीय घाटा इस प्रकार है, कुल राजस्व 2 लाख 53 हजार 935 करोड़, राजकोषीय घाटा 1 लाख 53 हजार 637 करोड़ का अनुमान है, जो अनुमानित सकल घरेलू उत्पाद का 5.6 प्रतिशत है। मेरा सुझाव है कि राजकोषीय घाटे को कम करने के लिए सरकार को कारगर कदम उठाने की जरूरत है। यह राजकीय व्ययो में कमी करके किया जा सकता है, अन्य स्त्रोतो से आय का विकास करके किया जा सकता है। भ्रष्टाचार का निवारण करके भी राजकीय कोष को बढ़ाया जा सकता है। साथ ही, संग्रह को भी बढ़ाकर के राजकोषीय घाटे को कम किया जा सकता है।

आज इस देश में एनपीए सबसे ज्यादा है और वह भी सबसे बड़े लोगों के ऊपर है। मेरी राय है कि अगर इस एनपीए की सरकार कारगर ढंग से वसूली करे तो राजकोषीय घाटे को बिल्कुल समाप्त किया जा सकता है।

महोदया, उत्तर प्रदेश को ग्रुप "सी" की श्रेणी मे रखा गया है। इसका क्षेत्रफल, जनसंख्या एवं गरीबी को ध्यान मे रखते हुए मैं इसे विशेष ग्रुप मे रखने की सिफारिश करता हूं, ताकि उत्तर प्रदेश राज्य का समग्र विकास हो सके। मैं सदन के माध्यम से उत्तर प्रदेश की मुख्य मंत्री बहन मायावती को बधाई देना चाहता हूं कि प्रदेश के सीमित साधनो के बाद भी सद्‌पयोग करके प्रदेश का समुचित विकास कर रही हैं। हमारे साथी प्रो. रामगोपाल जी जो इटावा जनपद से आते हैं, उन्होंने कहा है कि कोई विकास नही हो रहा है। हो सकता है उनके जिले मे बाहुबली ठेकेदार लोग हो और कागजों पर ही कार्य करा रहे हों। लेकिन उत्तर प्रदेश के अन्य क्षेत्रों मे सड़कों का जाल बिछाया जा रहा है और विकास दिन-रात निरंतर गति से चल रहा है।

उपसभापति महोदया, प्रदेशों की आर्थिक स्थिति को ध्यान मे रखते हुए, कुछ प्रदेशो की आर्थिक हालत और गरीबी को देखते हुए मैं सरकार से निवेदन करना चाहता हूं। मध्य प्रदेश, उड़ीसा, उत्तर प्रदेश, बिहार और राजस्थान को विशेष पैकेज देने की मांग करता हूं ताकि अन्य राज्यों के साथ कदम से कदम मिलाकर के बढ़ते हुए देश को विकासशील बनने में सहयोग कर सकें। धन्यवाद ।

SHRI SWARAJ KAUSHAL (Haryana): Madam, Dr. Manmohan Singh made very significant observations about the North-East. I will only share my thoughts with the House as regards the financial situation and the performance of the States in the North-East.

Let us have a few facts. The population of the North-East is 3.75 per cent of the total population of the country and the financial assistance from the Centre is about 20 per cent *i.e.*, 1/5th of the total assistance given by the Centre. In spite of these encouraging figures and with such impressive figures, nothing has changed in the North-East. If I have to describe the major reasons for it, I think, two reasons are very prominent. Why have things not changed in the North-East? The first one is political instability. Unfortunately, my friends on the right and my friends on the left are interested in having a Government of their brand in each one of the North-Eastern States. This is going on ever since the North-Eastern States have been created, and that is the reason why we have the political instability in the North-Eastern States. When it comes to the financial discipline, there is nothing like financial discipline in the North-Eastern States. The problem of the North-East is not lack of money. The problem of the North-East is the 'excess of money.' When it comes to financial discipline, the States in the North-East are rather competing with each other. There is an audit. But, it takes place very seldom. So, may I know from the hon. Finance Minister when is it that the District Council in the North-East was audited last - maybe, once in four years? Madam, in terms of financial discipline, there is little or no accountability. We hear about the Prime Ministers visiting, and it started with Shri Deve Gowda. He visited the North-East and announced a huge financial package. Such financial packages are futile. They are only populist. The lesson of insurgency in the North-East is very simple. When the beneficiaries of the national resources are few, there will be insurgency in the North-East. But, if there are beneficiaries of national wealth or, people at large, there will be very little insurgency in the North-East. What is required in the North-East is not money. What is required in the North-East is projects. We should make the audit effective and we should make the North-Eastern States more accountable.

Madam, Shri Lalu Yadavji referred to Haryana. He said that the Central Government promised that it would turn Bihar into Haryana. Let us go to the aspects which created Haryana and which built Haryana. It was

not a very great assistance from the Central Government alone, but it was the political leadership that made the difference. In less than five years, every single village in Haryana had a road. In less than five years, every single village in Haryana had a park. It appeared on the tourist map of the country. Thousands of teachers were employed. Thousands of schools were opened. It is not that this had happened thirty years ago. And, it is not that those times were different. Between 1996 and 1999, the power capacity in the State was doubled. The State, which was reeling under power shortage, could announce that there would be a twenty-four hour power supply in Haryana. So, political leadership can make the difference. Political will make the difference. And that is what is required in most of the States in the country. Thank you.

श्री बशिष्ठ नारायण सिंह (बिहार) : उपसभापति महोदया, आज इस सदन में हम राज्यो की गंभीर वित्तीय स्थिति तथा उनकी विकास की गतिविधियों पर चर्चा कर रहे हैं। मैं इस बहस को तीन भागों में विभाजित करके अपनी बात रखना चाहता हूं। एक पक्ष यह हो सकता है कि किन कारणों से आज हम विवश हैं कि इस विषय पर, हमें इस रूप मे, विचार करना पड़ रहा है। इसकी वजह क्या है? इसका दूसरा पक्ष होगा कि आज हम कहां पहुंचे हैं? राज्यों की अद्यतन स्थिति क्या है और उसमें सेन्टर की भूमिका क्या है? इसका तीसरा पक्ष यह है कि इसके निदान के लिए और इस गंभीर स्थिति से निपटने के लिए क्या उपाय हो सकते हैं? मुझे लगता है कि यदि हम कारणों के ऊपर विचार करने लगेंगे तो जो आपने मुझे समय दिया है उसमें मैं अपनी बात पूरी तरह से, ठीक से, नही रख सकूंगा। चूंकि अनेक कारण हैं। हमने वित्तीय प्रबन्धन को जिस तरीके से इस देश मे लागू करने की कोशिश की है, उसमे कहीं न कही दृष्टि दोष है, मूल्यांकन और आकलन करने तथा जो हमारी योजना बनाने की रीति और नीति रही है, उसमे कहीं न कहीं दोष है। उसमें कहीं न कहीं, कोई खामी है, कहीं न कही कोई त्रुटि है। कही न कहीं हमने वास्तविकता से अलग रहकर अपनी योजनाओं को प्राथमिकता के रूप में दिया जिससे आज यह समस्या गंभीर रूप में उपस्थित हो गई है। राज्यों की हालत खराब हुई है और मुझको लगता है कि कुछ खास ऐसे बिन्दु हैं जिनको हम महत्व नहीं दे रहे हैं। यदि इन बिन्दुओं को महत्व नहीं दिया गया तो शायद आने वाले समय में इस समस्या का हम जो इसका इलाज करना चाहते हैं, इस बीमार अर्थव्यस्था का हम ठीक से इलाज नही कर पाएंगे। यदि कुछ शब्दो मे आज की स्थिति का मूल्यांकन किया जाए तो दो बिन्दुओ पर दृष्टि जाती है। इस देश मे एक समानान्तर अर्थव्यवस्था चल रही है और वह है काले धन की अर्थव्यवस्था। दूसरी जो सबसे महत्वपूर्ण समस्या अभी सामने आई है, जिसका आज के प्रश्न संख्या - 222 में भी उल्लेख किया गया है,वह है राजकोषीय घाटा। चाहे वह घाटा सैन्टर का हो या राज्य का हो, अब एक तरफ काला धन है और दूसरी तरफ राजकोषीय घाटा है। क्या काले धन रखने वालों के सामने राष्ट्र झुकेगा? काले धन को निकालने के लिए जितने उपाय किए गए हैं, क्या वे पर्याप्त हैं या कोई दूसरे उपाय किए जाएंगे? जिस राष्ट्र मे धन रहते हुए भी राजकोषीय घाटा बढ़ता जाए और विकास के काम ठप्प होते जाएं तो यह एक विडम्बना है। इसलिए पहले काले धन को निकालने के लिए जोरदार, प्रभावकारी और ठोस कदम उठाए जाने की जरूरत है। मैडम, दस हजार करोड़ रुपए का एक आकलन है कि प्रतिवर्ष काला धन मार्केट मे आ रहा है। दस हजार करोड़

में से यदि हम उसको टैक्सनेट में लेते हैं तो चार हजार करोड़ रेवेन्यू रिसीट्स में हम ले सकते हैं, जिसमें से 27 परसेंट राज्यों को जा सकता है। लेकिन इतने धन पर हमारा कोई नियंत्रण नहीं हो और फिर हम दूसरे तरीकों पर विचार करते रहें? जो हमने नीतियां चलाई हैं उसमें परिवर्तन लाकर हम आगे जा सकते हैं। आज मैं काले धन की बात इसलिए कह रहा हूं कि प्रतिवर्ष एक हजार करोड़ रुपया विदेशों में चला जाए यह एक खतरनाक प्रवृत्ति है। इस देश में जो लोग अपना एकाउन्ट्स नहीं दिखा पाते हैं, गलत तरीके से इनकम टैक्स नहीं देते हैं, वे बड़ी संख्या में बड़े-बड़े प्लाटों पर खर्चा करते हैं। वे अपने मनी को सही ढंग से इन्वेस्ट नहीं करते हैं और राष्ट्र के पास पैसा है। इस पैसे को निकालने के लिए यशवंत सिन्हा के समय जैसे वीआरएस स्कीम निकाली गई थी और उसमें काफी लोगों ने पैसा जमा कर दिया था। आज इस ओर ठोस और आवश्यक कदम उठाए जाने की आवश्यकता है ताकि काले धन को हम बाहर निकाल सकें। जब तक काले धन को निकालने के लिए ठोस और निर्णायक कदम नहीं उठाया जाएगा, भारत की अर्थव्यवस्था को एक अनुशासित तरीके से ले चलने में हम समर्थ नहीं हो पाएंगे। इसमें सबकी भूमिका हो सकती है। इसमें राज्यों की भूमिका हो सकती है, सैंटर की भूमिका हो सकती है। इसके लिए मैं वित्त मंत्री जी से कहूंगा कि वे विशेष रूप से इस पर विचार करने की कोशिश करें जिससे इस काले धन पर नियंत्रण पाया जा सके। मैं एक बात के लिए वित्त मंत्री जी को खासकर बधाई देना चाहता हूं कि आज राजकोषीय घाटे पर संख्या 222 पर जो प्रश्न हुआ था उससे यह जानकारी मिलती है कि केन्द्रीय सरकार ने कई कदम उठाए हैं। यदि राजकोषीय घाटा कम हो जाए तो अर्थव्यवस्था में अपने आप आमूल-चूल परिवर्तन हो जाए, लेकिन यदि राजकोषीय घाटा बढ़ता चला जाए और फिर हम अर्थव्यवस्था को अपने ढंग से संचालित करने की बात करें तो इन दोनों का कभी भी सामंजस्य नहीं हो सकता है। मैडम, यदि बहस चल ही रही है तो इस बात पर भी ध्यान देना पड़ेगा कि अभी तक जो खर्च किए गए हैं उस खर्च में कितने ऐसे खर्च हुए हैं जो उत्पादकता बढ़ाने में समर्थ हुआ है, उन पर भी विचार करने की जरूरत है। कितना खर्च ऐसा हुआ है जो अनप्रोडक्टिव एक्सपेंडीचर है, आज उसका भी मूल्यांकन करने की जरूरत है। हम मानते हैं कि राज्यों में जो पैसे भेजे जा रहे हैं उसका मोनिटरिंग करने की जरूरत है, उसे देखने की जरूरत है, राज्यों को डिसिप्लिन्ड करने की जरूरत है। यदि ऐसे कदम नहीं उठाए जाएंगे तो बहुत भयंकर स्थिति हो सकती है। कुछ राज्यों में ऐसी भी स्थिति होती है। गांधी आजाद जी बोल रहे थे, मनमोहन सिंह जी ने नॉर्थ-ईस्टर्न राज्यों की चर्चा की, कई साथियों ने बिहार और उत्तर प्रदेश जैसे राज्यों की चर्चा की, अब मैं यह मांग करता हूं कि राज्यों की जो आधार संरचना है, उसके आधार पर सैंटर को एक विशेष योजना बनानी चाहिए। नॉर्थ-ईस्टर्न राज्यों के लिए एक, सिक्किम के लिए दूसरी, उत्तरांचल के लिए तीसरी, बिहार, पूर्वी उत्तर प्रदेश, मध्य प्रदेश, राजस्थान के लिए अलग रणनीति बनानी चाहिए। जहां आबादी बहुत अधिक हो और जहां जमीन हो, वहां के लिए ऐसी योजना बने कि जमीन से जो उत्पादकता हो उसका अधिक से अधिक पैसा वहां के लोगों को मिल सके। यदि अधिक से अधिक पैसा वहां के लोगों को मिल सकेगा तो वे इन्वेस्टमेंट करेंगे और इन्वेस्टमेंट करने का नतीजा यह होगा कि उस राज्य में दूसरे लोग भी इन्वेस्ट करने के लिए बाध्य हो जाएंगे। जैसे बिहार का सवाल उठता है। यदि बिहार में किसी पैदावार को ठीक से, वहां का जो आम है, लीची है, जो ऊख है, केला है, यदि इस तरह की फसलों को संरक्षण दिया जाए और उसका एक्सपोर्ट करने की व्यवस्था की जाए तो बिहार की संरचना, आर्थिक संरचना को एक बहुत बड़ा बल मिल सकता है। इसमें काफी सुधार हो सकता है।

मैं यहां पर विशेष रूप से यह बात यह कहना चाहता हूं कि इस सबके बावजूद भी हमें कई अन्य बातों पर गौर करना होगा। जो राज्य समुन्नत हो चुके हैं, जो राज्य विकसित अवस्था मे हैं और जो राज्य अर्द्धविकसित अवस्था में हैं उनमें एक बड़ी खाई पैदा होती जा रही है। सैंटर-स्टेट रिलेशन मे कभी-कभी कड़ुआहट का सवाल है, जो राज्य विकसित हैं उनका सवाल अलग है, जो राज्य अभी विकसित नही हैं उनका सवाल अलग है, ये समस्याएं ऐसी आ रही हैं जो भविष्य में कई संकट पैदा कर सकती हैं। इसके लिए एक विशेष पैकेज, योजना की तरफ से बना देने की जरूरत पड़ेगी, तभी इसका समाधान हो सकता है।

एक इश्यू जो इसमे सबसे बड़ी भूमिका अदा कर सकता है वह बैंकिंग पॉलिसी का है। बैंकिंग पॉलिसी और बिहार राज्य का राजकोषीय घाटा - मैं यह बात मानता हूं कि वहां का वित्तीय प्रबंधन ठीक से नही हुआ है लेकिन साथ-साथ यह बात भी है कि बिहार के गरीब लोग जितना पैसा बैंको मे जमा करते हैं, उन बैंको का पैसा धनी राज्यो और जहां बड़े-बड़े पूंजीपति हैं, उनके पास चला जाता है। इतना पैसा वहां नही रह पाता है। यही स्थिति पूर्वी उत्तर प्रदेश की है, यही स्थिति अन्य राज्यो की हो सकती है। एक ओर आर्थिक विकास के लिए उनके पास खर्च करने के लिए पैसा नही है। ऐसे राज्य के गरीब किसान और गरीब मजदूर पैसा जमा करते हैं उस पैसे को उस राज्य मे इन्वेस्ट न करके दूसरे राज्यो मे भेजने की योजना होती है। इस पर सरकार को एक ठोस पॉलिसी बनानी चाहिए। मैं इतनी मांग करना चाहता हूं कि वह पैसा कम से कम वहां के विकास मे लगे।

मैडम, मैं कुछ खास बिंदुओ की चर्चा करके अपनी बात समाप्त करूंगा। मैं वेतन आयोग की सिफारिशों की तरफ ज्यादा ध्यान नही दिलाऊंगा। इससे विसंगतियां जरूर पैदा हुई हैं लेकिन मैं दो-तीन बिंदुओ की तरफ आपका ध्यान दिलाना चाहूंगा। 'इन्ट्रेस्ट बर्डेन आफ स्टेट' से निजात दिलाने के लिए एक ठोस उपाय करना चाहिए। 'इंट्रेस्ट बर्डेन आफ स्टेट', ऋण को चुकाने के लिए राज्य ऋण लेते चले जाएं तो यह ऋण कितना बढ़ता चला जाएगा, आज इस पर विचार करने की जरूरत है। इसके लिए ठोस उपाय किए जाने चाहिए। इस देश में एक्साइज़ कस्टम और इन्कम टैक्स की व्यवस्था मे, पूर्णतः सुधार की आवश्यकता है। इन्कम टैक्स में क्या होता है? इन्कम टैक्स का आफिसर पता लगा लेता है कि फैक्टरी से कितनी कारें गई, किन लोगो ने कार ली, पब्लिक स्कूल मे किनके बच्चों ने एडमिशन लिया था और इसी आधार पर नोटिस चला जाता है। बडे-बड़े इकोनोमिक ओफेडर्ज इन्कम टैक्स के पकड़ मे नही आते हैं, लेकिन छोटे-छोटे जो दो लाख, तीन लाख रुपये मे गाड़ी लेते हैं, उनके ऊपर नोटिस चला जाता है। तो बड़े-बड़े इकोनोमिक ओफेडर्ज जिन्होंने सरकार का करोड़ों रुपया ले करके पचा लिया है, उनके ऊपर कठोर कदम उठाए जाने की बात होनी चाहिए। कस्टम अधिकारियों की मिली-भगत से ही बड़े मामले मे स्मगलिंग होती है, इसके ऊपर भी इफैक्टिव तरीके से एक कार्य योजना बननी चाहिए, जिससे कि इसका निदान हो सके। पिछड़े राज्यो की एक समन्वित योजना बना कर विकास की रूपरेखा तैयार की जाए और उन राज्यों में संभावनाओं के आधार पर केन्द्र सरकार उनकी मदद करे। आज इन सवालो पर गंभीरता से विचार करने की जरूरत है, क्योंकि मुल्क के सामने एक बड़ा संकट पैदा हो रहा है। संकट पैदा हो रहा है कि सोशल मिजर्स की विदाई हो रही है। जीवन को बेहतर ढंग से जीने के लिए जो उपयोगी सामान हैं, देश में कितने बड़े पैमाने पर हम उनका आयात कर सकते हैं, कितने बड़े पैमाने पर निर्यात कर सकते हैं। इसकी तरफ

तो हम जाते हैं, लेकिन झुग्गी-झोपड़ियो के लोगो के जीवन-स्तर को सुधारने के लिए, उनकी आर्थिक दशा सुधारने के लिए, उनको कैसे लोन दिया जाए, उनकी हालत कैसे सुधारी जाए, उस तरफ हमारा ध्यान नहीं जाता। गांवो से जो नौजवान निकल रहा है, आज के मल्टी नेशनल एज मे, उनके लिए कैसे योजना बनाई जाए, इसकी तरफ ध्यान देने की आवश्यकता है। इसके लिए विशेष योजना बनाने की जरूरत है। अब तक जो पालिसी अपनाई गई है, उसके लिए हम यह आग्रह करेंगे कि हमारा आधार भारत की भूमि होनी चाहिए, हमारा आधार भारत के लोगो का हाथ होना चाहिए, हमारा आधार यहां के गांवो की जमीन होनी चाहिए। एक ओर, कुछ राज्यो मे, जहां जमीन उर्वरक नही है, वहां पर टूरिज्म डेवेलपमेंट की बात होनी चाहिए। कुछ राज्यो मे जहां जमीन उर्वरक है, वहां कोशिश करनी चाहिए कि उस उर्वरकता को बढ़ाएं, अभी स्वराज जी बोल रहे थे, उन्होने हरियाणा की चर्चा की। लेकिन बिहार की आज यह क्षमता है कि बिहार में कृषि और कृषि से संबंधित उद्योगो, पशुधन, वहां की सिंचाई व्यवस्था को अगर वहां की बिजली व्यवस्था को अगर ठीक किया जाए, तो बिहार और राज्यों से आगे बढ़ सकता है। लेकिन यह कराह रहा है। इस मायने मे कराह रहा है कि केवल ऋण देने के लिए उसको ऋण लेना पड़ रहा है। ऋण लेते-लेते एक ऐसी स्थिति हो जाएगी कि डेवेलपमेंट का काम वहां कोई नही हो पाएगा। इसलिए एक विशेष पैकेज के तहत इस पर विचार होने की जरूरत है। ...**(व्यवधान)**...

श्री लालू प्रसाद : स्पेशल पैकेज की बात करिए।

श्री बशिष्ठ नारायण सिंह : लगता है कि आप हमारी पूरी बात नही सुन पाए हैं। मैंने स्पेशल पैकेज की बात कही है इसलिए मैं इन बातो पर विशेष ध्यान देकर कहना चाहता हूं कि ऐसी लकीर मत खींची जाए कि एक ओर सैन्टर-स्टेट रिलेशन के सवाल पर भविष्य मे गंभीर मतभेद पैदा हो और दूसरी ओर विकसित राज्यो और अल्प विकसित राज्यो के बीच मे सवाल पैदा हो जाएं। इन तमाम सवालो पर गंभीर चिंतन करने की जरूरत है, इन तमाम सवालो पर विचार करने की जरूरत है। तभी वित्तीय व्यवस्था ठीक ढंग से चल सकती है। सरकार चाहे केन्द्र मे किसी की हो, राज्यो मे किसी की हो, इनके बीच मे सामंजस्य, समन्वय स्थापित हो जिससे सबको लाभ मिल सके। बस इतना ही कह करके मैं अपनी बात समाप्त करता हूं। धन्यवाद।

उपसभापति : श्री मनोज भट्टाचार्य।

SHRI MANOJ BHATTACHARYA (West Bengal) : Thank you, very much. ...*(Interruptions)*...

श्री लालू प्रसाद : मैडम, मैं यह कल वाली प्रोसीडिंग पढ़ना चाहता हूं ...**(व्यवधान)**...

उपसभापति : देखिए, लालू जी, प्रोसीडिंग्ज की बात हाउस मे नही उठती है। आपको जो बात करनी है, मेरे चैम्बर मे करिए। प्रोसीडिंग्ज की बात हाउस मे नही उठाते। ..**(व्यवधान)**...

श्री लालू प्रसाद : एक्सपंज ...**(व्यवधान)**...

उपसभापति : आज तक कभी नही हुआ है और यह भी रेकॉर्ड पर नही जाएगा, जो मैंने कहा है आपको कि आप, मैं यहां 18 साल से प्रिसाइड कर रही हूं, क्या कायदे, कानून य नियम हैं, मुझे मालूम हैं। ...**(व्यवधान)**...

श्री लालू प्रसाद : चैम्बर मे मिलना पड़ेगा?

उपसभापति : आप चैम्बर में मिलिए, क्योंकि अगर आपको कोई ...**(व्यवधान)**...

श्री लालू प्रसाद : उसी मे एक्सपंज करने की बात है।

उपसभापति : नहीं, एक्सपंज करने की जो बात है वह मैं देखूंगी कि क्या एक्सपंज्ड है।

श्री लालू प्रसाद : आप देख तो लीजिएगा।

उपसभापति : हां, मैं देखूंगी, मैंने आपसे कहा है।

श्री लालू प्रसाद : आपने हमको मार्ग-दर्शन दिया।

उपसभापति : लालू जी, देखिए, मैं कोई बात कह दूंगी तो वह फिर आपको बुरी लगेगी, इसलिए बेहतर है कि चैंबर में बात करिए।

श्री लालू प्रसाद : नहीं, नही। हम तो आपसे आशा ही नही करते कि आपके मुंह से बुरी बात निकले, लेकिन ऐसे दिखा दिया।

उपसभापति : देखिए, लालू जी, कानून के दायरे मे रहकर काम कीजिए। जो नियम हैं, उसके बाहर मत जाइए। आप मुझसे चैम्बर मे मिलिए। आपको क्या आपत्ति है, मैं उसको सोल्व करने की कोशिश करुंगी। चैम्बर में यह बात होती है। हाऊस की बात हाऊस मे नही उठाते हैं।

श्री लालू प्रसाद : मैडम, क्या मैं आपसे लड़ने के लिए उठा हूँ ?

उपसभापति : मालूम नही, मुझे।

श्री लालू प्रसाद : मैंने आपको बताया।

उपसभापति : लेकिन, अभी मैंने उनको बुला लिया है।

श्री लालू प्रसाद : मैडम, देखिए।

उपसभापति : हां, मैं देख लूंगी। मैंने आपसे कहा। आपको मैंने चेयरमैन साहब के कमरे में कहा, मैं देखूंगी। आज मैं पूरे टाइम से ...**(व्यवधान)**...

श्री लालू प्रसाद : मैं बोला एक मिनट और दस मिनट आप बोल रही हैं।

उपसभापति : मुझे बोलना पड़ता है। मेरा यही काम है। मैं यह बहुत दिनों से कर रही हूँ। आपको मुझे काम सिखाने की अभी आवश्यकता नही है। ...**(व्यवधान)**... अगर आप ट्रेनिंग देंगे तो क्लासेस खोल लीजिए। बोलिए, मनोज जी।

श्री लालू प्रसाद : ट्रेनिंग अब हम आपको देंगे?

THE DEPUTY CHAIRMAN : Shri Manoj Bhattacharya, बोलिये भी, it is too late now.

SHRI MANOJ BHATTACHARYA : Thank you very much, Madam. I extend my thanks to the hon. Leader of the Opposition, Dr. Manmohan Singh, who raised the issue for a short duration discussion on the precarious condition of State finances, and the long-term implications on the developmental activities in the States.

I would say that it is not precarious, but it is a messy situation of the State finances. And, over a period of time, particularly speaking about the last three-four years, that is, after 1998-99, the situation has dwindled. The State finances have dwindled. What an irony!

Some time back, I was going through the history of developments with regard to the Centre-State financial relations. And it is quite replete in the history that when this country was liberated from the shackles of British imperialism, in 1947 - the war-ravaged world - the makers of the Constitution, the founding fathers of the Constitution, found themselves in a peculiar situation. In the Constituent Assembly, it was discussed that the Centre is very poor and the States are very rich, and they wanted to strike a balance. The Constitution-framers also wanted to strike a balance, and while striking a balance, the consecutive Governments have adopted some such policies that even after 50-55 years of Independence, the Centre has become, as reported today by the hon. Finance Minister of the country, quite sound in so far as the fiscal situation is concerned, in so far as the revenue situation is concerned, but the States are in a mess.

The State finances are in a precarious condition. That is why, the issue has been raised with the title, 'precarious condition of the State finances'. Madam, you would also certainly recall that while commenting on the...

THE DEPUTY CHAIRMAN : If you like, you can come to the front and speak.

SHRI MANOJ BHATTACHARYA : No, Madam, it is alright, thank you very much. While commenting on the Fiscal Responsibility and Budget Management Bill, 2003, even though there was a time constraint, I tried to

6.00 P.M.

tell the House that a peculiar situation exists. I repeat, that it is a peculiar situation that exists. The revenue will be collected by the Central Government, the responsibility of revenue collection is with the Central Government, and the responsibility of spending money for developmental activities lies with the State Governments, whereas the revenue sharing is not proper. Very eminent speakers like Dr. Manmohan Singh and Shri Pranab Mukherjee have spoken on this issue. They have also pointed this out. I fully endorse their views in many respects. I would like to refer to the Constitution. The Chapters I and II of Part XII of our Constitution contain the main provisions governing the Union-State financial elements. Of these, Articles 268 to 270, and 272, deal with the taxes levied by the Union, and the proceeds of which are either assigned to the States or compulsorily/ optionally shareable with the States. Articles 274-275 provide for the grants-in-aid of the revenues of such States as Parliament may determine to be in need of assistance. Article 282 contains a provision for grants by the Union or a State for any public purpose. These articles are there. But I need not go into articles. But what is lacking with the flexibility and objectivity of the revenue sharing between the Union and the States? Even though these are very important features, but there has been lacking something in this. Over a period of time, there has been something lacking in this. The revenue that has been collected has not been shared with the States in the way it should have been shared, because there are some problems with revenue collection as well. Maybe, because of these factors, the Centre has failed in its responsibility of collecting the revenue. The horizontal base of income tax -- other predecessors have also commented over this -- should have been expanded. More people should have been brought under the income tax net. The Government of India has failed in doing so. As a result, the revenue earning has become less. Perhaps, because of these reasons and because of so many other reasons, the flexibility and objectivity of revenue sharing could not be attended to, between the Centre and the States. The Constitutional provisions relating to revenue collection have not been taken into consideration that revenue is not exclusively for the use of the Centre, but it is also to be shared with the States. This is very important recommendation of the Constitution-makers that has not been, many a time, honoured by the Central Government. Naturally, most of the States, and not one or two States, are reeling under a serious debt burden. I do not know where the respite is. There are some good suggestions made by many hon. Members, but I do not know whether this Government will listen

to these suggestions or not. I do not know whether this Government can share these ideas of hon. Members. One particular thing that I want to say is that for the particular development of some States, funds have to be allocated. I have pointed out once before during the discussion only the other day that this country is reeling under a heavy burden of unemployment. The entire country is reeling under a heavy burden of unemployment. The employment has to be generated. The employment cannot be generated unless the developmental processes are pursued vigorously, unless the social sectors are looked after properly, and unless the infrastructure is developed in the right earnest. The world infrastructure has been developed or more being advertised, but that will not resolve the problems of this country, because, I know, if I start commenting over that, it may be a very sordid state of affairs the way the super infrastructure development is being pursued. Madam, I do not say so, somebody was commenting about the populist measures of the Government. For somebody it may be populist measures, but for us, who are down-to-earth, who are close to the heart of the people, we know that these are not the populist measures. These are measures which are essential required for the survival and for the sustenance of the common people and poor people of this country. For example, you take the widow pension. It is not a populist measure. For example, you take free education, free education up to a certain extent. It is not a populist measure. Spending for the primary health care is not a populist measure. Let me name a scheme - you will also be interested to know - which has been referred to by me on a number of times in the past. Now I am tired of referring to it. There was one scheme which was in vogue since 1984. This is a national project to improve *Chullahs*. It is particularly meant for benefiting rural women - women in the marginalised families. The scheme was in vogue since 1984. That scheme was in vogue since 1984. Unceremoniously, that scheme has been withdrawn. And, what is being said is that scheme was transferred to the State sector. Now, millions of poor rural women, for whom, perhaps, nobody speaks, nobody bothers, were being benefited, environment was being protected, the felling of trees, the deforestation, was being prevented. All of a sudden, this Government has decided that this scheme should be withdrawn. And, suspiciously, that scheme has been transferred to the State sector. Now, even if the States accept this scheme, where are the funds, as my colleagues have referred to it? In 1996, I remember, on the 4th of May, records show that a consensus was reached between the Chief Ministers and the Prime Minister, and I believe, Madam, you will also

appreciate that this document is a continuous entity. On 4th May, 1996, it was accepted on consensus basis that the Centrally-sponsored schemes, whenever these will be transferred to the States, these will be transferred along with the funds. But, no funds have been allocated. But, the Planning Commission has advised the Government and the Government has decided that this scheme will be abandoned. Now, who will be the losers? Losers will be very poor, marginalised, Below Poverty Line people, rural women. They will be the victims. Who will be the victim? Victim will be the environment of this country. Deforestation will take place. It will be an enormous loss for the entire nation. And, if we say that this has to be done, somebody will say that these are the populist measures that we are shouting for. Instead, I can also tell, Madam, that sometimes, these populist measures are taken by some such responsible persons, who unnecessarily raise the expectations of the people and they do not send the funds afterwards. I am telling this on the basis of my recent experience. I was in Srinagar some time back, perhaps, on 5th or 6th of July. I was attending the meeting of the Parliamentary Standing Committee on Science and Technology, Environment and Forests, where we were interacting with the Chief Minister of Jammu and Kashmir, Shri Mufti Mohammad Sayeed. We were discussing the problems of Dal Lake. There, we were talking about the sharing of 70:30. So, I asked the hon. Chief Minister of Jammu and Kashmir, "Sir, what about the money that you got as a special grant that was declared by the Prime Minister in the month of May, 2002.". It was declared that a sum of Rs.2000 crores would be given to Kashmir for the development of this region so that young people in this region could get employment, so that infrastructural development could take place, so that tourism could be promoted, so that the entire economy in Kashmir could change. Which will take care of these problems of cross border terrorism? Which will take care of this strategic war that is being perpetrated in Kashmir? I was astounded. I was asking the Chief Minister of Jammu and Kashmir, "Why don't you spend a portion of that for the maintenance and for the correction of the problems of the Dal Lake?". The Chief Minister very modestly told me that they have not got a single penny out of that. So, sometimes, these Ministers go to the States and announce some schemes. They raise the expectations of the people and the States are left to address those expectations. *(Time-bell)*. Madam, I have not taken even seven minutes. I have got 15 minutes. Please allow me.

THE DEPUTY CHAIRMAN: I am just calculating your time.

SHRI MANOJ BHATTACHARYA: Thank you, Madam, for granting this time. Madam, I have also said that sometimes Government of India go for the administered price increase. And, they do not increase the excise duty, by administrative decision they increase the price. The States are robbed of their due share. The surcharge on income-tax is a continuous phenomenon. States have been robbed of their share. The concessions and rebates, the amnesty of income tax department. My earlier speaker was talking about the black money. I am tired of speaking about the black money. This Government does not have the political will. No Government had the political will to confiscate the black money. We have been shouting as Members of the Left Democratic Front; we have been shouting since our student days that confiscate the black money. Thousands and lakhs of crores of rupees are hovering around in this country. It is running a parallel economy. And, because of this, even the minimum developmental works, which are termed as populist measures by some of our friends, are getting hampered; those are getting jeopardised. The Government should confiscate the black money and spend that for the benefit of the common people. There are more than hundred crores people in this country. Out of them, 34 or 36 crores people are living Below the Poverty Line. Crores of people have been declared as redundant. The Government does not care to get information about them, whether they are living or not, whether there is a minimum health care. The people are dying of starvation. We only take some theoretical actions. The States have to be more responsible. The States have to implement some programmes for the development. The States are immediate to the people. The Centre is not immediate. The States are immediate to the people of the State, and, therefore, Madam, I say that the main responsibility lies with the Central Government. The States cannot be allowed to be bogged down in the debts. I quote an example of West Bengal where the international trade is going on with Bangladesh. As Mr. Pranab Mukherjee has also said, the State of West Bengal had to accommodate millions of refugees, but the proper treatment could not be given. Yes, kindly accept this. Even this Government could not resolve this problem. I would say not only that. West Bengal is a State which had to accommodate poor people from surrounding States, hinterlands, from Bihar, Jharkhand, Orissa, and, even from neighbouring countries like Nepal and Bangladesh.

Now, I would say, how to accommodate the costs of all those, how to maintain all those unless the Central Government takes the

responsibility, shares the responsibility, gives the due share to the State of West Bengal. For example, see the jute workers. You have to do justice with them. You have to allocate some more money for the well-being of the peasants, millions of cultivators who are languishing. You have to allocate some more money. See, what has happened. The tea-garden owners have exploited the nature, exploited the poor people, and, now they have abandoned the gardens. Unless there is a corpus fund, unless it is augmented, those poor workers, lakhs of workers, *adivasis*, mostly, SCs and STs, are dying. They are dependent on the gardens for their living. Now, where from will the States get the money. Once again, they will have to borrow money, and, once they borrow the money, they will be in the debt-trap further. It is a very peculiar situation.

We have talked about all these things, and, even about the recommendations of the Twelfth Finance Commission. Unless the Central Government, the Finance Ministry, hon. Finance Minister or the Finance Ministers of the Government of India are mindful of these developments, are mindful of these problems, these problems will not be resolved.

Even though, I understand, the situation is quite precarious internationally also, and, the Government of India is also bogged down otherwise. There are diktats of the World Bank; there are diktats of International Monetary Fund; they are diktats of big brothers or the diktats of the United States of America. But, I must say, Madam, even after taking the risk of being misunderstood, that we are increasing the costs of Defence budget. The Defence budget takes a whopping amount where we do not have the money. Even a renowned economist, Dr. Amartya Sen, the Noble Laureate has very recently commented that we don't spend money for education, for elementary education or for primary health, but we can afford the luxury of increasing our Defence budget every year in thousands and thousands crores of rupees.

Madam, it is prudence, which is required. It is the affection for the people of this nation, which is required. That is missing, Madam. To implement the decision of the Government to confiscate black money, to take care of the non-performing assets, to implicate those companies, those big corporate houses, you must have the political will. This Government lacks in that political will. They must be brought to book. I have mentioned a number of times that the Securitisation Act is there, but no action is there.

The corporate houses have held approximately Rs. 1,35,000 crores, and, nothing is being recovered. The Government should recover and distribute that amount amongst the States for the proper development and for the implementation of programmes, otherwise, this country will collapse from within. You don't require attacks from outside, you don't require the cross-border terrorism, the country will collapse from within because of this thrust. I have mentioned in this House how the poor SCs and STs people have been cheated in this country. If you do not take care of them specially, the country will collapse from within.

So, through you, Madam, I, once again, caution this Government that if we are very serious about this country, if they are the real patriots- if they are not jingoists only and raise the slogans of pseudo-patriotism - they will have to look into these affairs very seriously. Instead of constructing some temples, mosques or churches, let us concentrate very seriously on these matters for the well being of this nation, for proving ourselves to be the right patriots in this country. With these words, I conclude, Madam. Thank you.

SHRI V.V. RAGHAVAN (Kerala): Thank you, Madam Deputy Chairperson. According to the official statistics, the gross fiscal deficit and revenue deficit of the States had doubled during the last decade. It is noteworthy that this was the period when we took to the globalisation path and the privatisation path. The State Governments are compelled to run on borrowed money. The revenue gap between the expenditure and the receipts has vastly grown during the last four years, mainly because of interest payments. Last week, we discussed the fiscal management of Union Government. The situation is almost the same in the States also. Now, it is time for us to examine some basic structural changes in the entire administrative set up. Let us look at the Centre first. Why do we maintain such vast Ministries here in Delhi? In this vast country of ours, there are so many diversities. Why should there be such a centralisation, such a concentration of power at the Centre? Devolution of powers to the States has been on our agenda since a long time. Even the Sarkaria Commission's recommendations have not been implemented as yet. Madam, keeping very vital Departments like Defence, Foreign Affairs, etc., why don't we decentralise the entire power structure? If the devolution takes place in the financial sector, and the powers are given to the States, we can strengthen our federal system which will strengthen our unitary

system also. So, what is needed now is decentralisation of powers, including financial powers. More powers to the States will strengthen our national integration; that will strengthen the unity of the country; that will strengthen the central functioning of the Government. Unless we do that, unless we suggest concrete solutions, it will not strengthen the Centre. A bargaining between the States and the Centre is taking place; a sympathetic view by the Centre on some States is taking place, just to avoid the real, basic issues. We ignore the real, basic issues. The real, basic issue confronting the country now is the devolution of powers to the States. Keep the very vital department alone. What is the purpose of running a Rural Development Department in Delhi and chalking out all the Centrally-sponsored schemes, wasting all the money - at least, 85 paise out of a rupee? You are wasting the manpower; you are wasting the money, you are wasting the financial set-up of our country. Demolish it. Why is there a Social Welfare Department in Delhi? What is the purpose? Just to promote some NGOs and associations like that. All the powers have to be devolved to the States and to the Panchayati Raj so that a very good Government at the Centre can be run with the vital Departments alone. To fight the terrorists and to integrate our country, decentralisation of powers is very necessary. I am very sorry, the major parties are not at all worried about the situation. Otherwise, the Sarkaria Commission Report would not have remained in the *almirah* for so many years. Unless you realise this, you can't achieve the targets in your dream. That is the crucial thing.

Another point is the basic economic reforms. You are privatising very important public sector units. You are inviting foreign companies to the country and giving them powers. I am not against foreign investment in spheres where it helps our country and where it is necessary. But what is going on? Chapter-IV of our Constitution States clearly that concentration of wealth and concentration of means of production should not be allowed. The monopoly houses should not be permitted to do that. Now, what is happening? The wealth is being concentrated. It is not being distributed fairly among the people. You can calculate the GDP. You can calculate the development figures. But whom does it go? The wealth goes to the wealthy people again and again. The statistics show that for the last 10-12 years the gap between the rich and the poor nas widened. You can see it with your naked eyes. The wealth is being concentrated. The corporate houses, sometimes, declare their wealth, their total profit. One corporate house, a family group, declares Rs.50,000 crores and another declares

Rs.63,000 crores. But the number of unemployed people is growing, according to your own statistics. The purchasing power of the poor people is shrinking. They are the real wealth of our country from whom the tax comes. How can they maintain their families? How can they give you taxes? You don't touch the wealthy people. You give them more and more concessions. The IT sector is utilising your concessions. They are earning money. They are pooling the entire money, one company alone pools Rs.50,000. That is the picture available in India. Unless you change this economic policy, unless you give some purchasing power to the peasantry, the agricultural workers, the handloom workers and the small-scale sector industries, you can't achieve anything. This is the crux of the problem. You are ignoring it. Your discussions do not reflect this fact.

Madam, my appeal to the major parties, and I plead with them, is that if you don't realise the real problems, you should not blame the employees. Now the discussion is going on as to how to curb the meagre pay of employees and their pensionary benefits. You are also reducing the rate of interest on their Provident Fund. Your attack is on the people. Your attack is on the employees. That is not the way. You do not touch the culprits. Pilatos proclaimed, "Jesus is innocent but crucify him". 'He is innocent but crucify him.' That was the verdict of Pilatos and such is your verdict. Charge the masses and leave the big people. This policy has to change. The Centre-State relationship has to be changed. Please devolve powers to the States and strengthen the unitary state of our Government. Thank you.

THE DEPUTY CHAIRMAN: Now there are four more speakers.

SHRI V.V. RAGHAVAN: Madam, according to our strength in Rajya Sabha, I should not have been pushed so back. My name has been put in the Others' group. According to the strength of our party in Rajya Sabha, I belong to a national party. If we go by the strength of our party in Rajya Sabha, I should not have been pushed so back.

THE DEPUTY CHAIRMAN: The thing is, if a party loses one Member and its strength comes down from five Members to four Members, then the Secretariat does not put them in a group. They come in Others' group. Therefore, you have been listed in Others' group.

SHRI V.V. RAGHAVAN: Madam, more than three Members are allowed to speak from major parties. At least, one person from every party should be allowed to speak. Then it will be fair. Our views would also help them a lot.

THE DEPUTY CHAIRMAN: I agree with you. But while appreciating your concern and desire, I would say that there are rules and conventions which we follow. If you want to change the rules and conventions, you can make a suggestion to the Committee on Rules. It can be considered. I also sometimes feel that Members belonging to smaller parties and unattached Members do not get much time to speak. But time is allotted according to the strength of the party in Rajya Sabha and perhaps in Lok Sabha also. I have four names with me. The names are: Shri Rajeev Shukla, Shri R.S. Gavai, Shri Surendra Lath and Shri Ramachandra Khuntia.

Shri Rajeev Shukla; now you decide as to how long we are going to sit here and try to speak as much as you can or as little as you can.

श्री राजीव शुक्ल (उत्तर प्रदेश) : मैडम, आपका बहुत-बहुत धन्यवाद। मैं डा0 मनमोहन सिंह जी द्वारा लोक महत्व के इस प्रश्न पर अपनी बात कहने के लिए खड़ा हुआ हूं। आज राज्यो की वित्तीय स्थिति बहुत गंभीर है। कई राज्य दीवालिया होने की कगार पर हैं। वित्तीय अनुशासन नाम की कोई चीज नही रह गई है। इसके लिए किसी एक को दोष नहीं दिया जा सकता है, न राज्य सरकारों को सिर्फ दोष दिया जा सकता है, न सिर्फ केन्द्र सरकार को दोष दिया जा सकता है दरअसल दोनो की बराबर की जिम्मेदारी है। मैडम, हालात ये हैं कि the rate of growth of debt is more than the revenue earning. अगर इसमे सैलरीज को जोड़ दिया जाए, स्टेब्लिशमेट का खर्चा जोड़ दिया जाता है तो फिर उधार लेकर ही राज्य की अर्थव्यवस्था चल सकती है। जो उसके अपने एलोकेटिड फंड हैं से कुछ नहीं हो सकता है, यह सिच्युएशन आ गई है। लोकप्रियता के चक्र में राज्य सरकार कर नही लगाती हैं। पॉप्युलेरिज्म के चक्कर की वजह से उनकी जो राजस्व प्राप्तियां हैं वे लगातार घटती जाती हैं। प्लान साइज बढ़ा देते हैं क्योकि उन्हे लगता है कि प्लान साइज बढ़ाने से उन्हे प्लानिंग कमीशन से ज्यादा धन अर्जित होगा, एलोकेशन्स होगे, धन मिलेगा लेकिन बाद में केंद्र सरकार के स्तर पर भी स्थिति भयावह होती जाती है। कर्ज के बोझ के बारे मे प्रणब मुखर्जी जी ने बताया कि 2001 तक 4,00,000 करोड़ रुपए के करीब कर्ज था। मैं उनसे आगे बढ़कर इसको अपडेट करना चाहता हूं, मेरे पास फाइनेस मिनिस्ट्री का एक लेटेस्ट डॉक्यूमेट है, इस डॉक्यूमेट के मुताबिक 2002 तक 6,71,653 करोड़ का डेट हो गया जो कुल जी.डी.पी. का 29.8 परसेट है। जबकि 1993-94 मे यह 1,83,000 करोड़ था। आप देखिए कि यह कितनी तेजी से बढ़ा है। मिनिस्ट्री ऑफ फाइनेस के डॉक्यूमेट मे एक बड़ी इंट्रस्टिंग बात दी हुई है कि कुछ राज्यों की जो वित्तीय स्थिति खराब हुई है वह 1997 से 2000 के बीच मे सबसे ज्यादा खराब हुई है। इसका मतलब है कि केंद्र सरकार भी इसके लिए काफी हद तक जिम्मेदार है "The fiscal position of the State

Governments has been deteriorating, particularly between 1997-98 and 1999-2000". मैडम, यही नहीं अगर देखा जाए तो स्टेट गारंटी, इसके ऊपर स्टेट गवर्नमेंट जो अपने आप सबसे ज्यादा गारंटी दे रही हैं - पिछली बार कंसल्टेटिव कमेटी में हम लोगों की मीटिंग भी हुई थी, उसमें यह विषय उठाया गया था कि इसमें कुछ न कुछ रेस्ट्रिक्शन्स लगने चाहिए - इसके हाल ये हैं कि स्टेट गवर्नमेंट ने 1,66,000 करोड़ की गारंटी दी। यह टोटल जी.डी.पी. का 7.2 परसेंट है। मैडम, इतनी गंभीर स्थिति है। अगर इस तरह से चला तो मुझे नहीं लगता कि राज्य सरकारें किसी तरह से भी अपने आप अपने पांव पर खड़ी हो पाएंगी। राज्य सरकारों की ओर से 71,000 करोड़ सलाना डेट सर्विसिंग के लिए ब्याज जाता है। बचत के प्रावधान, आस्टेरिटी मेजर्स इम्प्लिमेंट करने की जो बात कही गई थी, 1991 से यह बात चल रही थी, ये आस्टेरिटी मेजर्स न केंद्र सरकार ने अपनाए हैं और न ही राज्य सरकारों ने अपनाए हैं। जो केंद्र सरकार की योजनाएं हैं और जिस तरह से राज्य सरकारों का एक्सपेंडीचर बढ़ रहा है उसकी वजह से इस समय आस्टेरिटी मेजर्स की बात करना बिल्कुल बेमानी होगी। केंद्र सरकार की जो स्कीम्स हैं या तो उनमें धन पड़ा रहता है या वे पूरी तरह से लागू नहीं हो पाती हैं। मिड-डे मील स्कीम की बात पार्लियामेंट में उठाई गई थी। अमर्त्य सेन जी ने भी कहा है कि मिड-डे मील स्कीम कंटीन्यू करनी चाहिए। मिड-डे मील स्कीम का हाल क्या है? मुझे नहीं लगता कि मिड-डे मील के लिए जो धन सैंक्शन किया जाता है वह बच्चों को पूरा मिल पाता है। कोई मुझे बता रहा था कि बिस्कुट्स की जो सप्लाई होती है उसमें सिर्फ कागजों में बिस्कुट आते हैं। आधे बिस्कुट्स कागजों पर आते हैं। यह सारा पैसा मिलीभगत से चट कर लिया जाता है। मेरा सुझाव है कि केंद्र सरकार की जो स्कीम्स हैं उनके लिए जबर्दस्त मोनिटरिंग हो। अगर मोनिटरिंग का प्रोविजन नहीं हो पाता तो जैसा मनमोहन सिंह जी का केंद्र सरकार की स्कीम के बारे में सुझाव था कि उसे मिनिमाइज करना चाहिए, राज्यों को उस धन के उपयोग पर छूट देनी चाहिए, वे अपने हिसाब से खर्च करें, अगर ऐसा कर सकते हैं तो मेरे खयाल से यह सबसे बेहतर होगा। एक बड़ी बात यह है कि किस वजह से राज्यों की स्थिति खराब है, इसके लिए मुझे लगता है कि गुजराल साहब को जितना कोसा जाए कम है। उनकी सरकार ने जो फिफ्थ कमीशन लागू किया उससे एक तरह से राज्य सरकारों की वित्तीय स्थिति का पूरा भट्ठा बैठ गया। इसके बाद जो कदम उठाने थे, जिसकी वजह से इसका इम्पैक्ट कम आए वे नहीं उठाए गए। उदाहरण के लिए यूजर चार्जेज बिल्कुल नहीं बढ़ाए गए। अगर यूजर चार्जेज पर ध्यान दिया जाता और उस हिसाब से बढ़ाए जाते तो मेरे खयाल से बहुत फर्क पड़ता। पांचवे वेतन आयोग से जो नुकसान हुआ वह तो हो गया लेकिन उस नुकसान को बचाने के लिए जो उपाय किए जाने चाहिए थे वे उपाय नहीं किए गए। मैं इसके लिए कुछ सुझाव देना चाहूंगा कि डेट सीनेरियो में सुधार के लिए राज्यों के एन्युअल प्लान्स में कटौती की जानी चाहिए। डेट स्वैप मैकेनिज्म को इफेक्टिवली लागू करना चाहिए। जो स्टेट फिस्कल डिसीप्लीन मानते हैं, उन्हें महत्व देना चाहिए यानी हमारा आशय है कि उन लोगों को योजना आयोग के जरिए इन्सेन्टिव्ज मिलने चाहिए । फिस्कल मैनेजमेंट बिल लाना चाहिए और उस पर हमें सबसे ज्यादा जोर देना चाहिए और स्टेट गारंटी पर अंकुश लगाना चाहिए और यहां पर केन्द्र सरकार को दृढ़ता से काम लेना चाहिए। आज हाल यह है कि हमारे जो राष्ट्रपति जी हैं, वे इसको लेकर बहुत चिंतित हैं। वे तमाम राज्यों के सांसदों को नाश्ते पर बुला चुके हैं। जितने जिस राज्य के सांसद् उनके यहां जाते हैं, उन सबको वे यह किताब दिखाते हैं, सीआईआई की "हाउ द स्टेट्स आर डूइंग"। वे राज्यों की वित्तीय स्थिति को लेकर इतना चिंतित हैं कि हम आपको बता नहीं सकते। इसमें अगर देखा जाए तो जो कंपोजिट रैंकिंग है

उसमे सिर्फ चार राज्य, केरल, महाराष्ट्र, तमिलनाडु और पंजाब, इनकी "ए" रेटिंग है। इसके बाद चार राज्य, गुजरात, कर्नाटक, हिमाचल प्रदेश और हरियाणा, ये "बी" रेटिंग में हैं। बाकी सब राज्य "सी" और "डी" रेटिंग में हैं। बिहार वगैरह जैसे राज्यों का तो और भी बुरा हाल है, वे "ई" में हैं। मैडम, इन रेटिंग्ज़ के हिसाब से अगर देखा जाए तो जो हाल राज्यों के चल रहे हैं, इसमे एक-दूसरे पर दोषारोपण करने की बात नहीं है, लेकिन अगर तत्कालीन कुछ कदम नहीं उठाए गए, तो मुझे लगता है कि हालात सुधरने में बहुत वक्त लगेगा। माननीय वित्त मंत्री जी ने कुछ कदम उठाए हैं। प्रणब बाबू और मनमोहन सिंह जी ने कुछ सुझाव दिए हैं, सदन के अन्य सम्मानित सदस्यों ने जो सुझाव दिए हैं, यह एक ऐसा विषय है कि उनको लेकर इसको राजनीतिक नहीं बनाया जा सकता, क्योंकि अगर राज्यों की स्थिति सुधरेगी तो उससे पूरे देश की स्थिति सुधरेगी, इसलिए इसमें कोई ऐसा रास्ता निकलना चाहिए, जिससे इनकी वित्तीय स्थिति मजबूत की जा सके। धन्यवाद।

SHRI SURENDRA LATH (Orissa): Madam, thank you very much for giving me the opportunity to participate in this important debate on the financial health of the States. This is a very important matter. The rapid deterioration in the condition of the State finances is an issue of serious concern. The devastating financial condition has been an important constraint in creating quality infrastructure and development and reduces the investment in social sectors.

Madam, the gross fiscal deficit of the States is increasing every year. The total gross fiscal deficit of the States in 2001-02 rose to Rs.1,06,595 crores, which is 4.3 per cent of the GDP. This is because of a decrease in revenue receipts and an increase in revenue expenditure. The States have to resort to a high level of borrowings to meet the increased revenue expenditure. This causes increase in large scale fiscal revenue deficit. The high magnitude of interest payment pre-empts revenue receipts, thereby put constraints on developmental activities of the States.

Madam, there are various reasons for this state of affairs. A very significant reason is the enormous increase in the wage bills and pension liabilities. After the implementation of the recommendations of the Fifth Pay Commission, the wage bills of the States increased to a great extent. The share of revenue deficit increased from 38 per cent in 1997-98, to 60 per cent, in 1998-99 due to the pay revision. The pension liabilities of the States have also shown a sharp rise, and it also enhanced the revenue expenditure to a large extent. The fiscal deficit which was 3 per cent of the GDP, in 1997-98, increased sharply to 4.2 per cent, in 1998-99 and 4.6 per cent in 1999-2000.

Secondly, Madam, the State Governments have also invested large sums in public sector undertakings, but the receipts from these public sector undertakings in the form of dividend and profit is negligible. Most of the State public sector undertakings are making huge losses and need budgetary support, which causes an additional burden on the State finances. Most of the State Electricity Boards were making huge losses due to a large amount of subsidy given by some States.

Madam, the other reason for financial indiscipline is that the outstanding guarantees issued by the State Governments have risen in the recent years. There is an additional burden on the State finances due to a default by the entities for whom the guarantees have been issued. The non-adherence to the payment obligation committed by the States in respect of the guarantee already provided by them has adverse implications on the sovereign credibility, and, thus, may create problems in future, in raising resources from the market. Because of these reasons, many States have put a ceiling on issuing guarantees in order to restrict the increase in the debt burden of the States.

Madam, because of the financial constraints and the increase in revenue expenditure and spending on unproductive expenditure, there is little left for making a provision for expenditure for development and other social services. There is a decline in the Plan expenditure on health, education, agriculture and industry, infrastructure development and other social sectors. In the above sectors, the total disbursement in the Sixth Plan was 5.1% of the GDP; in the Seventh Plan, it was 5.1%, in the Eighth Plan, it was 4.2%, and it was reduced to 3.7% in the Ninth Plan period. The whole situation is very alarming and needs an improvement in the financial condition of the States.

Madam, the Government has set a target of 8% growth rate in the Tenth Plan period. In order to achieve the target, it is urgently required to strengthen the economy of the States. To achieve this, there is an urgent need to implement the physical reforms program. There is a need for reducing the revenue expenditure, and, thereby, also reducing the revenue deficit. It is also required to reduce the debt burden of the States by reducing the interest component.

Madam, there is a need for making a readjustment across several areas of Government finances. Improvement in the management of public expenditure and comprehensive civil service reforms for improving public

service delivery through increased accountability, integrity and productivity of the civil services is also required.

There is a need for reducing the burden of revenue deficit and fiscal deficit through reducing the wasteful expenditure, cutting the low priority expenditure and raising the efficiency of the tax administration and the tax regime is the basic objective of the readjustment programme.

As we know, the State Electricity Boards are making huge losses. There is a need for introducing power sector reforms which can reduce the negative contribution to the State's revenue. Many States have already introduced the power sector reforms.

Madam, the public sector restructuring is an essential part of the physical reforms. The loss-making public sector undertakings should be either disinvested or privatised. The State Governments should restrict giving a budgetary support to the loss-making companies.

Madam, the Eleventh Finance Commission has set the physical objectives. Chapter 30 of the main Report lays down the broad parameters of the physical correction in the State sector starting with the base year 1999-2000. The Eleventh Finance Commission maintains that the State is expected to take effective steps for revenue augmentation and expenditure compression over the five year period so as to achieve gross fiscal deficit of the States on an aggregate to fall to 2.5% of GSDP; revenue deficit of all States, in aggregate, falling to zero; and, interest payments as a percentage of revenue receipts of the State sector, as a whole, to 18 to 20%.

Madam, the Eleventh Finance Commission, in its supplementary Report said that the increase in wages and salaries should not exceed 5% or the increase in the consumer price index, whichever is higher; the increase in interest payment may be limited to 10% per year. Again, it said that explicit subsidies should be brought down by 50% over the next five year period, with a view to eliminating the subsidies altogether by 2009-2010.

Madam, these are some of the objectives suggested by the Eleventh Finance Commission. I feel, these objectives and suggestions will help in acquiring the financial health of the States. I thank the Finance Minister for introducing the Debt-Swap Scheme to enable the States to retire their high cost borrowing by taking advantage of the current low

interest regime. This will reduce the interest burden of the States. Madam, I will be failing in my duty if I do not speak about my own State - Orissa. Orissa is endowed with rich natural resources. It has vast mineral deposits and plenty of surface and ground water. It is also rich in human resources. Still, Orissa is the poorest State in the country. Madam, 48 per cent of the total population is living the Below Poverty Line, whereas the national average is only 26 per cent. The State is in a serious debt trap. The debt burden of the State is increasing every year and this is leading to an increase in revenue deficit. The total debt burden is 46 per cent of the GSDP and the per capita debt burden is Rs. 5,757 by the year ending 2000-01. In this situation, 80 per cent of its own revenue and 33 per cent of the total revenue, inclusive of taxes and Grants-in-aid are being used only for debt servicing, which again constitute more than 6.5 per cent of the GSDP. The financial position of the State has already reached to a crisis point.

Madam, Orissa has vast natural resources, but they are not being exploited properly because of financial constraints in the State. The State is also prone to natural calamities. The natural calamities are also severely affecting the financial condition of the State.

My humble submission to the Central Government and the hon. Finance Minister is that a special package to Orissa should be given immediately so as to bring it on par with other developed States of the country. Orissa has a vast potential for development, but it needs support and assistance from the Central Government.

Madam, unless we make special provisions for poor States, it will not be possible to develop the entire country. The economic disparity will be there. Under these circumstances, the poor States should get a special attention for their development.

Madam, there is a grave situation in Orissa with regard to its finances. The Central and the State Governments need to take some hard decisions in this regard. The hard decisions can only be taken by arriving at consensus among different groups, different States, different political parties and the country as a whole. We have to rise from our narrow political interests for the development of our country and people. I am of the firm opinion that the target which we have set for achieving 8 per cent

growth rate in the Tenth Plan period can only be achieved by strengthening the State finances. Thank you.

SHRI R.S. GAVAI (Maharashtra): Madam Deputy Chairperson the precarious condition of the Sate finances is going from bad to worse. The State Governments' large and increasing fiscal revenue deficit is a matter of great concern to all of us, particularly to the national economy. The draft of the Tenth Five Year Plan, a document which was released by the Planning Commission, indicates that the Plan outlay is larger for all the States as compared to the Ninth Plan. It does mean, they require, in addition to the Central assistance, a considerable effort and devices on the part of the State Government. I do want to highlight particularly the case of Maharashtra State, instead of having a general discussion. Madam, you are well aware of the precarious condition of the State of Maharashtra because you represent Maharashtra. You may also be aware of the fact that once Maharashtra was designated as a well-administered, disciplined State, but, unfortunately, that State, is, now facing financial crisis. Therefore, as indicated by the Planning Commission, I have certain suggestions to make to the Government of India, the Finance Minister, and particularly the State Finance Minister, Shri Adsul, who is sitting here, who represents the State of Maharashtra. He will, perhaps, pay more attention to me. I hope, at least, he should. In 1994-95, the total debt of the Government of Maharashtra was Rs. 18,000 crores. It has now reached to Rs. 73,000 crores in 2001-02. Consequently, the interest burden on the State revenue rose to 20 per cent from 12 per cent. This is the condition of the State of Maharashtra, which was once designated well-administrated and disciplined State. This is unfortunate, particularly to me and also to Madam Deputy Chairperson. *....(Interruptions)...* I am going on. You do your job. I am doing my job.

THE DEPUTY CHAIRMAN: I am not ringing the bell. So, I am not doing my job.

SHRI R.S. GAVAI: You represent the State of Maharashtra, and coincidentally you are presiding over here when I am speaking. It is also a coincidence that the State Finance Minister, who also represents the State of Maharashtra, is present here. That is why I am feeling jubilant. But you are concentrating on some other job.

THE DEPUTY CHAIRMAN: I am listening to you. We are having a triangular support.

7.00 P.M.

SHRI R.S. GAVAI: I certainly deserve that. Madam, the idea of swapping high-cost debt for a low-cost debt is, indeed, a welcome idea. But the proposal to retain 20 per cent of the net small-saving collection for the purpose, will deprive the State of Maharashtra of Rs. 1200 crores. Such withdrawl of the resources will only convert the already bad situation into a worse one. Alternatively, the balance 20 per cent of the net small-saving collection should be released to the State of Maharashtra to meet the Budget liabilities. You will agree with me that it makes no sense to repay liabilities when the State of Maharashtra is finding it difficult to meet its liabilities that have already matured. I hope this reasonable suggestion will be accepted by the Government, the Finance Minister, and, particularly, the Minister of State for Finance because the subject was raised during the meeting of the Members of Parliament with the Chief Minister. Madam, the Chief Minister of Maharashtra has written to the Government of India, to the Prime Minister, to the hon. Finance Minister and to the hon. Minister of State for Finance, Shri Anandrao Vithoba Adsul. He requested the World Bank to look up at the Maharashtra's case for Special Structure Adjustment Loan. In Maharashtra, the situation is eminently suitable for getting such assistance from the World Bank. I would request the hon. Finance Minister; he may kindly forward to the World Bank, at the earliest, the proposal of the Maharashtra Government. Further, the Chief Minister of Maharashtra had already raised this issue earlier, through his correspondence to the Prime Minister, to the Finance Minister and to the State Finance Minister also. Sorry, I must express my dismay on the fact that despite the very critical position of our finances, no *ad hoc* assistance was made available to the State of Maharashtra on the lines of the assistance recently reported to have been made available to the five other States, other than Maharashtra. I am sure that the injustice will be immediately redressed.

Another important factor that had contributed to the debt of the State Government is the pattern of normal Central assistance. But it is necessary that the present arrangement, where 70 per cent of the assistance comes by way of loans, be changed and, at least, 50 per cent be given by way of grants. This will help in moderating the debt burden of the State Government of Maharashtra. Madam, to restore financial balance, the hon. Chief Minister of Maharashtra has written, as I mentioned earlier, to the Prime Minister, to the hon. Finance Minister, and the State Finance

Minister on 5th June, 2002, wherein he requested for a one time grant or a soft loan of Rs. 3000/- crore. A similar request had been made to the Prime Minister on 1st July, 2002. The hon. Minister (Finance), Government of Maharashtra, has requested the Government of India, the hon. Finance Minister and the State Finance Minister, firstly, to sanction an additional central assistance of Rs. 1000 crore, preferably, in the form of soft loan, on the lines of assistance provided to the States of Orissa, West Bengal and Rajasthan. We are demanding assistance for the State of Maharashtra on the pattern of assistance provided to the rest of the States. Secondly, I request the Minister to forward the Maharashtra Government's proposal regarding 'Special Structured Adjustment Loan' to the World Bank as the Department of Economic Affairs has already assisted in respect of Andhra Pradesh, Uttar Pradesh, Karnataka and Orissa. Madam, I would like to sum up. Rather, I think you want me to sit down.

THE DEPUTY CHAIRMAN: There is one more Speaker.

SHRI R.S. GAVAI: Madam, I will conclude shortly...*(Interruptions)*... I know, I will be very short. But I have to cooperate with the Presiding Officer.

श्री एस0 एस0 अहलुवालिया : आप महाराष्ट्र में स्पीकर रहे हैं। आप वहां के फॉरमर स्पीकर हैं इसलिए दर्द को समझते हैं।

SHRI R.S. GAVAI: That is why I do understand...*(Interruptions)*... No, I do understand. I had been the Speaker, so, I will be very brief and conclude within one minute...*(Interruptions)*... I will abide by the time allotted to me. I will conclude within one minute.

Now, the last but not the least, Maharashtra has been one of the most progressive States and accounts for almost 20 per cent of the country's GDP. The role of the Government of Maharashtra in providing infrastructure and related support and also skilled manpower has been a critical input in the economic activities of the nation. The Employment Guarantee Scheme is our proud achievement which we have not allowed to suffer despite the tremendous pressure on our liquidity. Therefore, the Government of Maharashtra has played a constructive role in creating conditions conducive to sustained economic growth. As mentioned earlier by an hon. Member regarding a particular State, I would say that the Capital of

Maharashtra, that is, Mumbai is providing shelter, accommodation and jobs to the millions of the people of different States of the Nation. It has been designated as 'Mini India'. I, therefore, urge upon the Government of India, the Finance Minister, the State Minister to recognise the special place of Maharashtra in the country's economy. Thank you.

THE DEPUTY CHAIRMAN: Thank you; this is the lone voice of Maharashtra.

SHRI R.S. GAVAI: Madam, triangle is there, but you are not paying attention to that. I don't know why.

THE DEPUTY CHAIRMAN: No; actually, mine is from the Chair, you are from the floor, and he is from the Treasury Benches.

SHRI R.S. GAVAI: At least, you must hear me patiently...*(Interruptions)*...

THE DEPUTY CHAIRMAN: I am supporting him. I was waiting that somebody should speak from Maharashtra. Now, Mr. Khuntia. He is the last Speaker...*(Interruptions)*...

SHRI N. JOTHI: Madam, Maharashtra can be taken care of by the right eye and Tamil Nadu can be taken care of by the left eye.

THE DEPUTY CHAIRMAN: Okay...*(Interruptions)*...

SHRI RAMACHANDRA KHUNTIA (Orissa): Hon. Deputy Chairperson, the subject we are discussing today, the stringent financial condition of the States and how to get out of it, is a very, very important subject. I fully endorse the views expressed by Dr. Manmohan Singh and Shri Pranab Mukherjee. They have already explained how to give relief to various States. Many other hon. Members have also commented on the activities of different States as also the Central Government. Of course, the Central Government and the State Governments are responsible for the financial management, for the development of the States and the country, as a whole. But the point is, there are some States, as has been mentioned by some of the hon. Members, like Orissa, Bihar, Madhya Pradesh, Uttar Pradesh and Rajasthan whose financial condition is so bad

that even if the State Governments try to bring discipline in the financial management. But the point is, there are some States, - as has been mentioned by some of the hon. Members, - like Orissa, Bihar, Madhya Pradesh, Uttar Pradesh and Rajasthan whose financial condition is so bad that even if they try to bring discipline in the financial management, even if they try to improve their financial resource management, even if they try to reduce all their unplanned expenditure, the question is whether they can come out of it. That is the question. Madam, as we all know, in various Committees, we have seen that the money, which has been given as Central assistance, has not been utilised till the end of the financial year, whether it is the assistance to the Scheduled Castes/Scheduled Tribes whether it is soft loan assistance. Even the scholarship money for the Scheduled Castes and Scheduled Tribes students has not been utilised till the last. Even in some cases, these moneys are also being diverted and being spent for providing ways and means and for some other things, which is a very, very dangerous trend. Now, the question is this. Even in this House -- I will particularly mention about Orissa -- whenever we demanded more money for super-cyclone, drought, or, floods, the then Agriculture Minister, Shri Ajit Singh, and other Ministers clearly stated, "You ask your State Government to utilise the money and give the utilisation certificate, and only then we can give more money." That is the right procedure. But the question is, if the State Government because of its inefficiency or its inability, could not give its share and spend the money, why should the people of that State suffer? Has the person who lost his house in the super-cyclone a right to get a house under the Indira Awas Yojana? Have the children of the Scheduled Castes or the Scheduled Tribes people a right to get the stipend or not? If you say that your State Government is not able to utilise the money because they are unable to give its share and also not able to spend the money, even if it is a relief money, whether the people of that State should suffer, and whether the State Government or we should allow the people to suffer. That is the question. We can analyse the activities of the State Governments and the Central Government. But that is a different question. I do not want to bring any political point of view here. But that is the reality. Now, the question is this. My hon. friend, Mr. Lath, has quoted various statistics about the economic condition of Orissa. We all know about that. He has given some statistics with regard to that. I do not want to go to those statistics again. I will give some more general information about my State, Orissa, which is a poor State. In 2001, the total revenue of the State from non-taxes and taxes was Rs. 3174.6 crores, the

expenditure on salary and pension alone was Rs. 4707.58 crores, and if we put together the total interest and the principal, which the State is paying every year, it comes to Rs. 7537.50 crores, whereas the revenue income remains the same, Rs. 3174 crores. Now, the question is this. On account of huge gap in the revenue deficit about which he has already said, the loan amount which was Rs. 2135 crores in 2000 has now reached Rs. 3300 crores, and the interest amount per annum is Rs. 3700 crores.

Madam, I would like to make one more point here. As far as the loan of the Government of India is concerned, during 2000-01, we have received around Rs. 1796.78 crores whereas the State Government of Orissa has paid towards the principal and also the interest Rs. 1781.14 crores. That means, by taking the loan, the Orissa Government has got only a few crores. All the money which the Orissa Government has got has been, otherwise, paid as the loan and interest. Now, in this situation, another thing that I want to mention here is that, if we look at the ways and means position, and also the over-draft advance which has been availed by the Orissa Government from 1981 to 2000-01, it goes like this: in 1980-81, for Rs. 22.74 crores, the ways and means position of the State Government of Orissa was for six days only. But, at the end of 2001-02, the ways and means advance was Rs. 1705.52 crores for 123 days. About the over-draft also, in 1984-85, the over-draft taken by the Orissa Government was Rs. 411.79 crores for 154 days. In 1998-99, it had taken Rs. 1867.66 crores for 141 days. In 2000-01, it had taken Rs. 2485.33 crores for 164 days.

Madam, if you look at the position, in every aspect, in comparison with the all-India average, the per-capita GDP income in Orissa State is 1924, whereas the national average in 1997-98 was 3251. If you take the case of rural poverty, it is 49.70 per cent in Orissa, whereas the national average is 37.30. The same is the case with infant mortality and literacy rate. Literacy rate in Orissa is 49.9 per cent, whereas the national average is 52 per cent. Female literacy rate is 34.68 per cent, the all-India rate is 34.29 per cent. Male literacy is 63.9 per cent, whereas the all-India rate is more. So, if we look into all these aspects, we find that they are all much below the national average, and Orissa is economically backward.

In this situation -- of course, we have the right to criticise the Government, as we belong to the Opposition -- the question is, where should Orissa get the money from? The State Government of Orissa, the

people of Orissa, and the Orissa State Assembly unanimously demanded that Orissa must be accorded the status of special category State, as also some other States like Madhya Pradesh, Uttar Pradesh Rajasthan, Bihar and others demanded. The question arises as to whether the Gadgil formula, which was accepted in 1969, and the Sarkaria Commission's Report on the Centre-State relations, need to be reviewed. Some people said that the hon. Minister of Planning, has replied that things are being done as per the Gadgil formula.

Madam, as you know, the Gadgil formula was revised two times. It was again revised on the recommendation of the National Development Council. Anything in this world can be reviewed and revised in the interest of the stakeholders. And Orissa is one of the poorest States, like Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar and others, which are economically backward and are unable to manage themselves. In my opinion, in order to consider their case, the Gadgil formula could be reviewed.

In our country, the Constitution has been amended many times. At the time of natural calamities, the hon. Minister has said that this cannot be done because of the relief code. What is the relief code? What is the Gadgil formula? What is the Sarkaria Commission's Repot? All these committees have been constituted by our Constitution. This Parliament is functioning as per the rules framed by our Constitution. When we can amend our Constitution so many times, as and when required, according to the needs and requirement of the people, I don't feel there should be any difficulty in amending the Gadgil formula, or amending or reviewing the Sarkaria Commission's Report, in order to give relief to the poorest States, which are unable to manage themselves.

Madam, I do not want to take much time of the House, as I know that the hon. Members are tired and want to go home. I would like to repeat one thing. The Central Government and the State Governments in power now cannot also just go away from the issues. They have to take their responsibility. It is their primary responsibility. It is a problem for all the people; for all the parties. But they have to take the lead. I urge upon this Government through this House, Madam, that the Government should discuss this issue with all State Governments. It should also be discussed in the meeting of the National Development Council and in various other forums. A full-fledged discussion in the Parliament can also be held and

this thing can be reviewed. The Central Government can take appropriate steps and can declare Orissa and other backward States as Special Category States to meet their requirements. I will suggest, Madam, one or two points about loan. The Central Government is getting loan on 2 or 3 per cent -- it has been said by hon. Member, Shri Pranab Mukherjee -- but they are charging 11, 12 or 13 per cent from the States. For what? For the service of the loan. A huge interest on the loan is a burden on the States, which have already taken so much loan. I think, this is also one point which can be reviewed by the Central Government so that the interest on loan which is being charged from the State Governments can be reduced.

The second thing is also regarding loan, which has been given to the State Governments and on which the States have to pay the interest. In case of backward States, moratorium can be given. The moratorium for not paying interest for five years can be given by the Central Government in the case of Orissa - as was done in the case of individual loanees affected by flood and cyclone - so that the State Government can utilise this amount for its development. At present, the State of Orissa is paying Rs.4000 crores per year. I think, this can also be a suggestion.

There is also a complaint from the State Governments that funds from the Central Government are being released at a later stage, that is, funds that should have been released in April are being released in December and the last instalment is being released at the end of the financial year. The Central Government should not take the plea that funds could not be released because of non-receipt of utilisation certification. The Central Government should release funds at appropriate time so that the State Governments can get adequate time to utilise funds.

THE DEPUTY CHAIRMAN: 'Thank you' to all of you for a very good discussion. Everybody worked hard to prepare speeches. The reply would be either on Friday or as convenient to the hon. Finance Minister.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL): It is decided for Friday morning.

THE DEPUTY CHAIRMAN: Yes, it is decided for Friday, but still I will keep a rider that the convenience of the Finance Minister would be

taken into consideration. If I say it is on Friday, then he will have to come on Friday, and I don't want to do that to anybody. Thank you, very much. The discussion is over. I will not allow any more discussion. The House is adjourned till 11 o'clock tomorrow.

The House then adjourned at eighteen minutes past seven of the clock till eleven of the clock on Wednesday, the 6th August, 2003.